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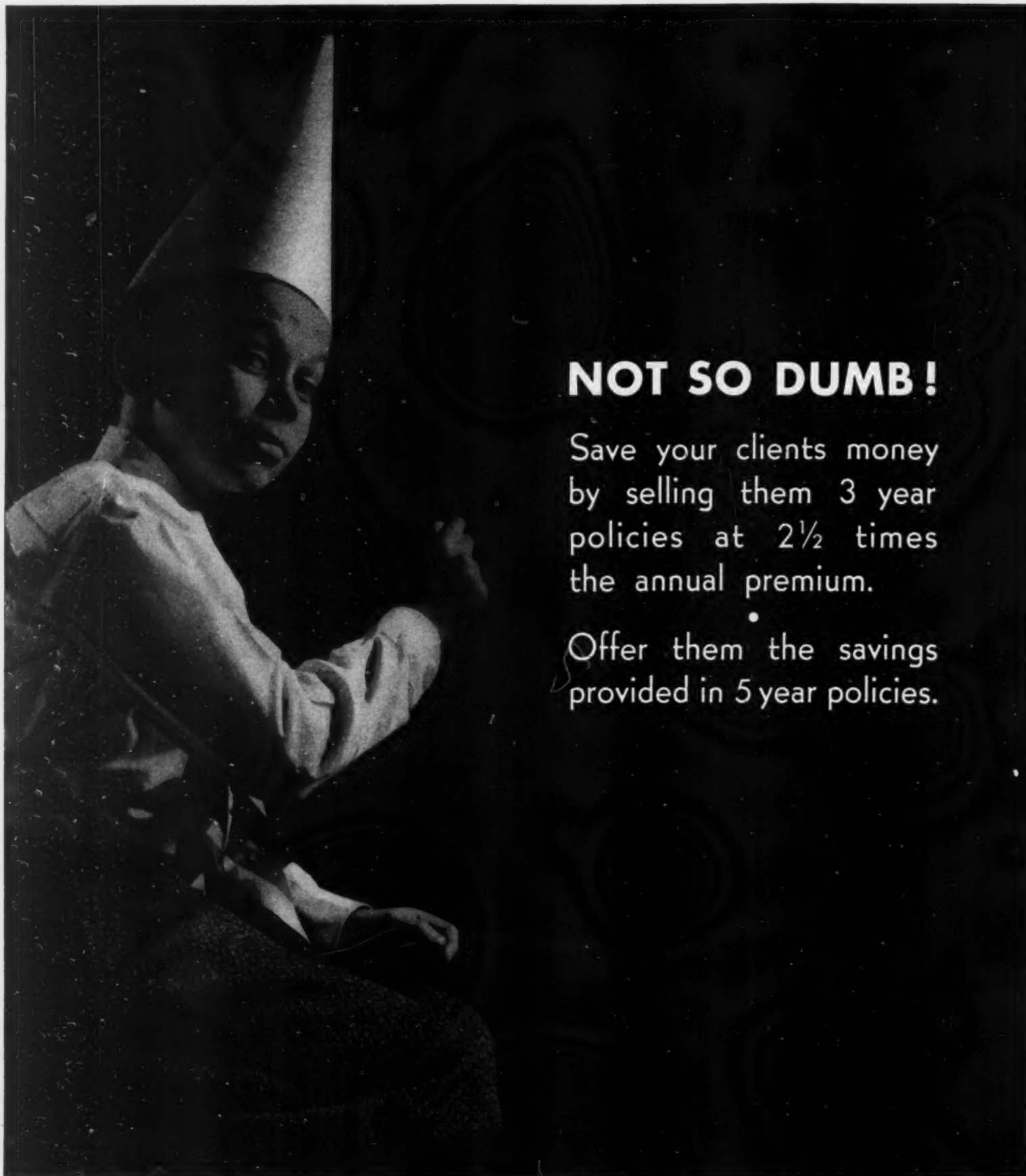
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THURSDAY, JANUARY 1, 1942



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The NATIONAL UNDERWRITER

Forty-sixth Year—No. 1

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JANUARY 1, 1942

\$4.00 Year, 20 Cents a Copy

Insurance Teachers Hold Valuable Gathering in N. Y.

E. L. Bowers New President—Act on Associate Member Issue

NEW YORK—E. L. Bowers, Ohio State University, was elected president of the American Association of University Teachers of Insurance at its annual meeting here this week. Other officers are Frank G. Dickinson, University of Illinois, vice-president; C. A. Kline, University of Pennsylvania, secretary-treasurer; and H. J. Loman, University of Pennsylvania, member of the executive committee to fill the term expiring this year.

Professor Bowers is the first middle westerner to head the association. Previous presidents have been drawn from eastern seaboard universities with the exception of Robert Riegel of the University of Buffalo.

There was considerable discussion at the business meeting of the qualifications for associate membership. The feeling was that associate membership should be limited to those who are actually engaged in educational work and not merely interested in insurance education or serving on committees passing on educational work done by others.

McCahan Explains Stand

David McCahan, University of Pennsylvania, the retiring president, said that at an executive meeting earlier in the day it was decided that any candidate for associate membership should be sponsored by an active member who would be responsible for supplying enough information to guide the membership and executive committees as to his qualifications. No information would be given the prospective associate member until he had been passed upon and possible embarrassment would thus be avoided.

Invitations to become associate members were extended to Frank L. Jones, vice-president of Equitable Society because of his work in connection with the Huebner Foundation; to George W. Scott, educational director of the National Association of Insurance Agents; and A. C. Goerlich, educational director of the Insurance Society of New York. The association has 25 associate members.

Important Reports Made

It was decided to appoint a committee to look into the advisability of supporting the work of the insurance section of the Special Libraries Association in reviewing new insurance books. Digests of these reviews have thus far been furnished the association by the American Mutual Alliance.

The association accepted the reports of the committee on professional stand-

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Change in Atlas Western Setup

Secretary Woltersdorff, 47 Year Veteran, Retires—F. L. Ludington Named

E. M. Schoen, manager of the western department of Atlas and Albany, announces the retirement of R. F. Woltersdorff, secretary of the companies in Chicago. He is succeeded by Frank L. Ludington as assistant manager.

Mr. Woltersdorff started his insurance career with Continental in 1894 and later



RALPH F. WOLTERS DORFF

entered the services of Sun as an examiner and special agent. He joined Atlas in 1909 as field man for Illinois and Michigan and was called into the western department as secretary in 1924.

He has been active in the field clubs. He is past president of the Illinois Fire Prevention Association, past most loyal gander of the Illinois Blue Goose and is now treasurer of the Life Members Society.

Ludington's Experience

Mr. Ludington is a graduate of Franklin & Marshall College at Lancaster, Pa., and entered the insurance business in 1926 with the Underwriters Association of the Middle Department at Philadelphia. He joined Atlas in 1932 as special agent for eastern Pennsylvania, Maryland, Delaware and District of Columbia, with headquarters at Philadelphia. He was transferred to the western department in February, 1939, succeeding the late A. S. Hall as assistant secretary.

F. I. A. Vandalism Rate Doubled

HARTFORD—Factory Association has doubled its rate for the malicious mischief and vandalism endorsement. Formerly 3 cents, it is now 6. The factory mutuals the other day went up from 4 cents to 6 cents for the cover.

Higher Collision Rates Jan. 2

More Premium on Older Cars; New Ones Go Into Higher Brackets

The National Automobile Underwriters Association has officially notified managerial and home offices of the upward revision of collision rates for private passenger automobiles.

The revision will include a new schedule of premiums for older cars. The schedule has been 100 percent for cars in their first year, 80 percent of the first year charge for cars in their second year, 60 percent for three year old cars, and 40 percent for those four years old. The revision provides for a schedule of 100, 90, 70 and 60, which constitutes 10, 10 and 20 percent increases for the three older age groups, respectively.

Where Revision Applies

The states in which the revision will be effective Jan. 2 are, east, Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont and West Virginia; south, Alabama, Arkansas, Florida, and Georgia; west, Illinois, Indiana, Iowa, Kentucky, Nebraska, North Dakota, Ohio, South Dakota, Tennessee and Wisconsin; Rocky Mountain, Colorado, New Mexico and Wyoming, and Pacific Coast, Alaska, Arizona, California, Idaho, Montana, Nevada and Utah. The association will announce the effective date of the revision in states other than these.

New Cars Cost More

On new cars there is no change in the premiums charge, but the substantially increased prices of new models will throw most of the cars into a higher bracket. For an A type car, for instance, selling for \$600 or less, the rate, say, is \$30 for \$25 deductible collision. But the price on a car selling for \$500 to \$600 a year ago is up \$50 to \$100, so in most cases it would take the rate for the B type car, selling from \$600 to \$700, which is \$35 for \$25 deductible.

The revisions will go into effect in most states Jan. 2. In Oklahoma they are effective Jan. 5.

Sought Rate Increases

There has been strong pressure by the collision underwriters for rate increases due to greatly increased losses in the past year. They were anxious to get the increase in premium early enough to catch renewals on new cars purchased a year ago. There has also been considerable agitation for more premiums on the older cars, since many of the replacements cost as much for a 3-year-old as a new car.

Losses have been extremely severe. One company office covering a large territory reported its loss ratio up 10 points in six weeks, due almost entirely to collision losses. Because of the government's restrictions on credit extension, one finance company which gave this office \$12,000 a month in premiums, now is giving it \$2,000 a month.

Blue Prints for Property Insurance College Prepared

Huebner Reports Decisions: To Raise \$50,000, Award C. P. U. Degree

NEW YORK—Exceptional interest was taken at the meeting of the American Association of University Teachers of Insurance here in the report of Dr. S. S. Huebner on the project to create in the field of fire and casualty insurance a setup similar to the American College of Life Underwriters and Chartered Life Underwriter combination. Dr. Huebner is chairman of the committee on professional standards in property and casualty insurance of the University Teachers organization, which has held a number of meetings and has also been conferring with the advisory committee which embraces a large number of insurance practitioners, both from the stock and mutual ranks.

Dr. Huebner told of the recommendations that have been made by the committee on curriculum and educational procedure, finance committee, legal committee and others. The finance committee adopted Dr. Huebner's recommendation that a fund of \$50,000 be raised to finance the operation of the college for two years. If all the fire and casualty companies would contribute on an equal basis such a fund could be produced by a payment on the part of all companies of one 1/225th of 1 percent of the 1940 premiums. O. E. Lane, president of Fire Association, is chairman of the finance committee and is hard at work on the fund raising project, he said.

Dechert on Legal Problems

Robert Dechert of Philadelphia, counsel of Penn Mutual Life, who is also counsel for the American College of Life Underwriters, has filed a number of opinions on legal problems, dealing mainly with the name of the proposed college, requirements necessary to incorporation and proper protection of the designation of those who pass the examinations.

The advisory committee at a meeting Dec. 11 decided to call the proposed college the American Institute for Property & Liability Underwriters and the designation for those who pass the examination would be C.P.U. (Chartered Property Underwriter).

The advisory committee believes that the first examination should be held in June, 1943, at the same time and places that the C.L.U. examinations are held and on a basis of standards similar to those prevailing in the C.L.U. movement.

The committee on curriculum said the main idea should be to prepare those in the business to understand the changing economic, social and governmental background in which insurance oper-

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Tire Rationing Will Cause Insurance Problems

Weigh Field Man's Travel, Adjustment Difficulties, Accident Effects

The drastic tire rationing program is certain to leave its mark upon the insurance business in many ways.

The most immediate consideration seems to be how field men, adjusters, inspectors and other representatives of insurance companies who rely upon the automobile almost exclusively for getting about, shall travel in the future. There seems to be no disposition on the part of insurance companies to try to establish any preferred status for such representatives insofar as new tires are concerned. Of course many field men at the present time have good tires, but the average special agent is a hard user of rubber as he travels perhaps 20,000 miles a year. Some special agents may find themselves just at the ragged edge so far as tire condition is concerned and face an immediate problem. The insurance companies will probably proceed to take inventory of the tire and automobile situation of each of their field men and then proceed to make decisions. One logical course, it is suggested, would be to instruct field men who work in the larger towns and cities to give up their automobiles immediately and use trains and buses but to permit field men who are working among farm and small town agents to continue to use cars.

May Double Up

In the last war, it is recalled, three or four field men of different companies would frequently get together and double up on the use of an automobile. Perhaps similar arrangements will again appear at this time although it would require the utmost diplomacy all around to have such a relationship continue on a satisfactory basis very long. Such a teaming up would probably be more feasible in the fire insurance business than in the casualty because casualty men operate on a more individual basis.

The field men today who travel by automobile carry a great deal of material with them and much of this would have to be discarded if they should be compelled to depend on buses and trains.

One field man, for instance, took inventory of his equipment. He has in an auxiliary grip which he keeps in the car for reference in case of need two volumes of the Fire, Casualty & Surety Bulletins, one Inland Marine Underwriters Association rule book, a Business Development Office book, the company's field men's manual, and five visual sales manuals as big as the B.D.O. book. All this weighs about 60 pounds.

In addition he has his field man's portfolio, which he takes with him into every agency. This weighs 15 to 20 pounds. Then he has another small portfolio of loss adjusting supplies, weighing three or four pounds. Many field men carry a portable typewriter, and, of course, they have to have a bag for personal items.

Theory Put to Test

Recalling the days before auto travel, the field man pointed out that he can carry only two pieces on a train or bus with any comfort, and the one with company material should be a thin one.

It is recalled that a few years ago, some of the old timers in the business were wont to scold the field men for

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Fireman's Fund New Vice-presidents

Crafts, Lawson, McBride, Michael, Divisional Chiefs, Given Higher Rank

SAN FRANCISCO—Directors of Fireman's Fund, Home Fire & Marine and Occidental have elected James F. Crafts, manager eastern department, Boston; Edward D. Lawson, manager western department, Chicago; F. B. McBride, manager Atlantic marine department, New York, and Russell W. Michael, manager southern department Atlanta, as vice-presidents of the three companies.

It was stated that the advancement is in recognition not only of the high regard of the companies for their capable service and demonstrated ability, but also of the large measure of responsibility and authority with which each is vested in his supervision of an important regional department.

Careers of New Vice-Presidents

Mr. Crafts has been manager of the eastern department since 1938, having joined the department as assistant manager in 1930, after 14 years with Queen.

Mr. Lawson, who has been manager in Chicago since 1938, joined Fireman's Fund in 1930 as manager of the marine branch there. He has been in the marine insurance business since 1913, starting his career in New York City. He was for many years with W. H. McGee & Co. before joining Fireman's Fund.

Mr. McBride, who has been in the marine business since 1916, joined Fireman's Fund just a few months before his appointment as manager of the Atlantic marine department in 1932. He had previously been with Atlantic Mutual, Marsh & McLennan and North America.

Mr. Michael, who started with Fireman's Fund in Atlanta in 1911 as a junior clerk, was appointed assistant manager of the southern department in 1929 and manager in 1937.

Cincinnati Nominations Made

CINCINNATI.—Thomas W. Earls, T. M. Geoghegan and Frederick Rauh have been nominated for the governing committee of the Cincinnati Fire Underwriters Association. The election will be held Jan. 8. Charles A. Meyers is chairman of the nominating committee.

Baltimore Day Feb. 7

Baltimore Insurance Day will be observed Feb. 7, under the auspices of the Binder Club. It will consist of a banquet and dance. The arrangements are in charge of F. Addison Fowler.

Tax Decision on Valued U. & O. Form Brings Furor

There is much current interest in insurance circles over the decision of the United States Board of Tax Appeals in the case of Williams Furniture Corporation, decided Dec. 9, holding that recovery under a special valued use and occupancy form was not taxable as income. The case which will appear in volume 45 B. T. A. was publicized by several tax advisory services, which recommended switching business interruption insurance to a valued basis. It provoked a flood of inquiries from insurance men as to exactly what it meant.

Williams Furniture Corporation suffered a fire loss and resulting shutdown. In addition to property damage fire insurance, it carried three use and occupancy policies, one in London Lloyds and two in Pennsylvania Lumbermen's Mutual, providing for a flat daily indemnity in case of suspension of business. The indemnity quoted by the board in one policy was \$125 per day.

Held Extension of Fire Cover

Admitting that both treasury regulations and previous court decisions have clearly made recovery of profits under use and occupancy insurance taxable just as though the profits had been earned, the board held that in this case there was no recovery of profits and hence no taxable income. Two reasons were cited. First, no mention was made of profits in the insuring clause and there was no question of profits or scanning of the assured's balance sheet in the adjustment. Second, the assured apparently convinced the board that it put all its use and occupancy recovery back into reconstruction of the plant, instead of putting it into surplus or paying it out as dividends.

The Board of Tax Appeals thus took the position that in this case the business interruption insurance was nothing but an extension of the assured's fire insurance and subject to the "involuntary conversion" rule. This rule, commonly applied in insurance property damage losses, provides that where property is involuntarily converted into other similar property or into money, because of a loss or exercise of public power, and the money is used to acquire other similar property there is no taxable gain or loss.

Previous Cases

The opinion cites two older cases applying the same rule. Both involved valued use and occupancy forms. They are Piedmont-Mt. Airy Guano Co., 3 B. T. A. 1009, and Flaxlinum Insulating Co., 5 B. T. A. 676. In the Flaxlinum

case, the assured could prove that only part of the valued use and occupancy recovery was put into reconstruction, while part was put into the treasury, and the latter part was held taxable.

Among the misconceptions which floated around as a result of the publicity given the Williams Furniture case was the impression that the ordinary per diem use and occupancy form, which is still used in the middle west, would produce a tax free recovery, while the coinsurance or contribution form would not.

Usual Forms Taxable

There is absolutely no ground for this belief. In the Williams Furniture opinion, the board quoted section 112 (f)—1 of the regulations and two decisions holding recovery under the usual form, which mentions profits specially, to be taxable income to the extent that it represents profits the assured would have earned had no fire occurred. The two cases are International Boiler Works Co., 3 B. T. A. 283, and Miller vs. Hocking Glass Co., 80 Fed. (2nd) 436.

Both these cases involved per diem forms and the form used in the second case had an insuring clause identical with that still used in the middle west.

Boiler Form Is Valued

Undoubtedly the Williams Furniture case will bring about an increased demand for straight valued use and occupancy forms from agents and brokers whose clients follow tax services closely. The standard power plant use and occupancy form is valued. While there do not appear to be any tax decisions on this contract, it seems to meet the requirements laid down in these cases, since it does not mention profits or overhead of the assured in its insuring clause and simply provides a flat daily indemnity.

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Honor B. M. Culver's Silver Anniversary with America Fore

NEW YORK—In commemoration of his 25th anniversary with the companies of the America Fore group, President Bernard M. Culver was the guest at a luncheon given in his honor by Frank A. Christensen, executive vice-



BERNARD M. CULVER

president, attended by the officers of the group and some of Mr. Culver's intimate friends.

Mr. Culver was presented a gold medal marking his entry into the Old Guard of the organization and also re-

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THIS WEEK IN INSURANCE

E. L. Bowers, of Ohio State University, is elected president of American Association of University Teachers of Insurance at annual meeting. **Page 3**

The National Automobile Underwriters Association announces higher collision rates effective Jan. 2. **Page 3**

Much progress has been made in the direction of setting up the American Institute of Property & Liability Underwriters under which will be awarded the C.P.U. degree. **Page 3**

Many insurance problems are foreseen as a result of the tire rationing program. **Page 4**

Important federal tax interpretation secured from Commissioner Helvering of internal revenue bureau clearing question of possible double liability on claims where federal tax lien is in effect. **Page 5**

Royal-Liverpool groups rearrange supervision of metropolitan, Brooklyn and suburban business in New York City territory. **Page 7**

Superintendent Pink of New York announces that that state will have no auto P.L.-P.D. rate increase for 1942. **Page 13**

Decision on taxation of U. & O. proceeds arouses much interest and many misconceptions. **Page 4**

Four divisional managers of Fireman's Fund group are elected vice-presidents. **Page 4**

Accident companies seek more accurate definition of "act of war" exclusion. **Page 13**

Protection sought against loss of securities from the acts of an enemy. **Page 15**

Substantial increase in steam boiler and machinery premiums registered in 1941. **Page 15**

While claim men believe workmen's compensation claims from bombings and other war acts are compensable, indications are that the companies will make a general announcement in a couple of weeks. **Page 13**

The D. F. Broderick organization terminates its connection with Commercial Investment Trust and Service Fire, it is officially announced. **Page 7**

Surge of automobile business due to impending N. Y. law ebbs but upturn is forecast. **Page 13**

Tax Interpretation Vital to Companies Is Secured

U. S. Revenue Commissioner Clears Question Over Liens and Claims

A tax interpretation of great importance to all types of insurance companies was rendered by Commissioner Guy T. Helvering of the internal revenue bureau which relieves companies from the liability that previously seemed to be imposed on them if they made claim payments to claimants or beneficiaries against whom federal lien for tax had been ordered.

The companies have been fearful for some time that under section 3672 of the amended internal revenue code, even though they were third parties in any controversy between the government and individuals over federal tax, the government would interpret any claim payment to an assured against whom a lien existed to be income that should be applied in reduction of the lien.

Fearful Unrecorded Liens

The statute requires the government to file notice, or record, of the lien. The company attorneys felt if their companies could be held liable to the government for the amount of the lien if they paid claims to claimants against whom liens had been recorded, such liability, if it existed, also would apply to unrecorded liens, since the insurance companies do not come within the exceptions prescribed in section 3672. This would mean that they might later be forced by the government to pay in reducing the lien as much as they had paid in claim to the claimant.

There have been no published rulings specifically on this question. However, Oct. 6, 1941, there was a ruling by Acting Commissioner N. D. Cann made to the collector at Hartford, in the D. W. estate relating to a life insurance or accident policy settlement to a beneficiary with a lien. Cann ruled the insurance company incurred no liability if a money settlement was made, whether the notice of lien was filed or not, if the company was without actual notice or knowledge thereof. But he said the bureau was not prepared to rule there would be no liability if the insurance company had actual knowledge of existence of the federal lien.

Makes Important Concession

In the latest ruling by Commissioner Helvering, himself, an important additional concession was made relating to all companies to the effect they would not be required to take affirmative steps to find out if there was a federal lien in existence. This means that if they should learn there was a lien they would govern themselves accordingly, bearing in mind the D. W. estate ruling, but they are not required to do anything concrete in each case to find out if there is a lien.

The commissioner wrote to Lord, Bissell & Kadyk of Chicago who secured the interpretation:

"It is the opinion of this office, however, that an insurance company will not incur liability to the federal government making money settlements with claimants against whom a federal tax lien is outstanding if the insurance company is without actual notice or knowledge of the existence of such lien (as distinguished from constructive notice or notice of such lien if filed in accordance with the provision of section 3672 of the internal revenue

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Urges Caution in Defense Work

Fire Prevention Units Can Best Serve Through Town Inspections

In view of the fact that insurance people are eager to contribute their services in some organized way to the war effort and several state fire prevention associations in the middle west have already taken steps to assist state defense councils, R. E. Vernor of Chicago, manager of the fire prevention department of the Western Actuarial Bureau, has addressed a message to presidents and secretaries of these fire prevention associations, suggesting what their position should be under the circumstances. His conclusion is that the associations, for the time being at least can render the most effective service by continuing to pursue their regular town inspection work in earnest fashion. These inspections today can be given a defense flavor that will find ready local response, Mr. Vernor said. Some special work in cooperation with civilian defense, especially along educational lines, may be forthcoming, according to Mr. Vernor, but the associations should not commit themselves to incur any special expense without proper authority.

Watch OCD Development

Mr. Vernor observed that the pattern of the whole Office of Civilian Defense setup has not been made definite in all particulars as yet and hence it is not known just in what way a state fire prevention association might serve.

Mr. Vernor cites current reports that field men are not likely to be called upon for service similar to that performed in the last war.

Army and Navy Setup

Mr. Vernor states that the Insurance Committee for the Protection of Industrial Plants advises that both the army and navy in the past few months have built up inspectorates of officers and civilians whose duty it is to handle all inspection work for plants with defense contracts. For this reason any defense plant inspection work done at the state level is inadvisable and may result in confusion the insurance committee advised. With reference to determining which plants are on the defense list and which are not, the war department does not have any suggestion as to how this information can be got except by individual inquiry.

"Without proper credentials and authority," Mr. Vernor declared, "we do not see favorable reaction to field men calling on industrial management to inquire as to whether or not the plant has defense contracts."

"We also question the effectiveness of inspection of industrial properties by field men without the proper engineering background."

Baumann Goes to Boston, Hippard Coast Manager

Joseph Frogatt & Co. has transferred A. R. Baumann from the Pacific Coast territory to the Boston office because of the large volume of business in the northeast territory and the desire to have him more closely associated with the head office in New York.

M. E. Hippard, assistant Pacific coast manager, has been promoted to Pacific Coast manager to succeed Mr. Baumann. Mr. Hippard has been with the firm for many years, having had experience in both Chicago and southwestern offices and having spent several years with the firm on the Pacific Coast.

Two local clubs, Charlotte, N. C., and Raleigh N. C., have joined the National Association of Insurance Women.

Companies' Buying of U. S. Issues Is Aiding War Effort

NEW YORK—Fire and casualty companies as well as life are playing a vital part in the financing of the nation's war effort, Dr. Corliss L. Parry, research associate of Metropolitan Life, told the session on capital flow and the insurance industry at the annual joint meeting of the American Finance Association and the American Association of University Teachers of Insurance.

The fire and casualty companies invested \$500,000,000 towards building a strong America since the war in Europe, he said. Of this perhaps one-half flowed into U. S. treasury issues.

Large Holdings of Cash

The insurance business of this country enters the war with record-breaking cash holdings, Dr. Parry commented—substantially larger than those carried in the less troubled days of the 1920's. He set the cash holdings of the fire and casualty companies at \$750,000,000. These enlarged holdings of cash, he explained, have arisen in the last decade partly out of increased caution, partly from a scarcity of desirable investment and also perhaps in part represent money held in hope of improved interest rate. Whatever the reasons for accumulation of cash, some portion of it, but by no means all, if companies are to continue on a sound financial basis, will be available for war financing, he said.

Has Great Adaptability

The purchase of Treasury securities does not adequately measure the part that insurance is playing in war finance, he noted; neither do its entire investment operations indicate the full measure of its cooperation in the nation's war effort. The unique place of insurance arises not only because its investment function is readily adaptable to war needs but because it is a service industry, rather than one dealing in goods. It not only is saved from competing with war industries for necessary raw materials but is afforded the opportunity to cooperate in a positive way in maintaining economic equilibrium. Also its insurance functions are at least as vital in war as in peace, and because of the psychological values afforded by insurance protection, probably more so, he felt.

Serves to Check Inflation

By directing millions of rivulets of savings into governmental and other vital investment streams, insurance provides the means of raising capital for the war effort that is at once convenient, efficient and taps savings sources that perhaps could not be reached as easily in any other way. He noted also that the premiums spent for insurance which might otherwise have been expended for consumer goods help to maintain commodity price equilibrium and to that degree contribute to the future economic stability of the country by deferring the demand for consumer goods until post-war days.

C. L. Case General Agent for Inland Marine, Special Lines

NEW YORK — Charles L. Case has been appointed general agent of the inland marine and special lines department at the head office of North British & Mercantile. He has had both field and office experience in the specialty lines, having traveled Ohio and Indiana as special agent of the Home group and joined North British last March. In his new post he will be associated with Secretary A. W. Barthelmes.

Mr. Case is a son of Charles E. Case, who retired as assistant United States manager of North British a year ago, and a grandson of the late Charles Lyman Case, former United States manager of London Assurance.

Lessons of War Will Aid Peace Time Navigation

W. D. Winter Tells Insurance Teachers Problems of Marine Underwriters

NEW YORK—In addressing the annual meeting here of the American Association of University Teachers of Insurance, President William D. Winter of Atlantic Mutual expressed the belief that lessons are being learned in the carrying on of overseas commerce



WILLIAM D. WINTER

in these times of stress that can be translated into improved operation of ships in peace time. Many of the loss preventive measures on the sea that are utilized today were conceived or developed during the last world war, he observed.

At the outset he remarked that in no branch of insurance do conditions arising out of international conflict come with greater impact than in the field of marine insurance. Nor is the possibility of preventing loss by any affirmative action anywhere less than in this same field. There is little that can be done to avoid capture or seizure or destruction by an enemy if fair opportunity presents itself to him. The merchant fleets are designed for commerce in a world where international friendship exists but in a world at war these same ships must play their part and carry on trade in waters subject to all the marine hazards of peace time and the additional and oftentimes unknown hazards of ships of war on the ocean, under the ocean and in the air, and of water ways strewn with mines along coasts on which all the aids to navigation have been removed or blotted out.

Attitude of Underwriters

Commercial underwriters under these conditions say that there are certain hazards too great for them to insure at commercially usable rates. Hence subsidized government agencies assume the burden of these uninsurable hazards or else the commercial underwriters limit the scope of their insurance to cover only those hazards that they believe they can reasonably assume. In a world at war the marine underwriter refuses to insure goods against war risk before they are on board the ocean vessel and after discharge from the overseas vessel at destination. He refuses to insure against their capture or seizure by the British government or its allies in certain geographical areas, or

(CONTINUED ON PAGE 27)

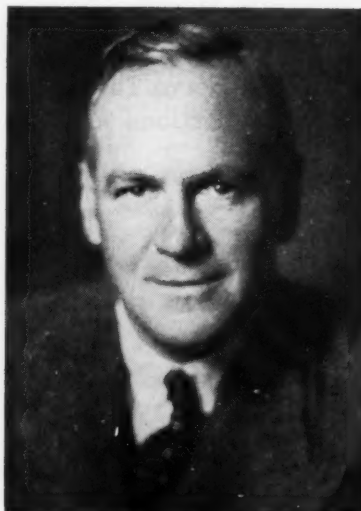
NAMED AS VICE-PRESIDENTS OF FIREMAN'S FUND GROUP



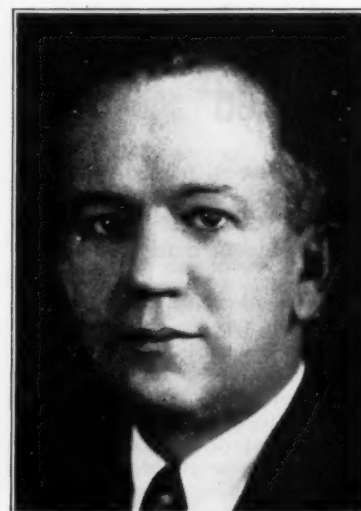
JAMES F. CRAFTS
Boston



EDWARD D. LAWSON
Chicago



F. B. MCBRIDE
New York



RUSSELL W. MICHAEL
Atlanta

Pink Reprimands Pearl for Montana Deal in 1936

NEW YORK—As a result of hearings on a report on examination, the United States branch of Pearl has been censured and reprimanded by Superintendent Pink. This was occasioned by the activities of its former Pacific Coast manager, Alfred L. Merritt, and its former Montana agent, the Miller Insurance Agency, in connection with the writing of state business in Montana. Deputy Superintendent McLoughlin, before whom the hearings were held, emphasized that the company is strong financially and that the censure in no way reflected upon its soundness.

During 1935 and 1936 the United States branch through its general agent, Charles E. Miller, president of the Miller Insurance Agency, engaged in numerous activities in Montana with the object of retaining the profitable business of insuring the property of the state. In order to retain this business the Miller agency spent a sum in excess of \$55,000. Among the expenditures were such items as the leasing of a newspaper circulating in the state, the leasing of a radio broadcasting station and the hiring of workers to solicit votes in favor of a statewide referendum which vitally concerned the business. The agency was successful in retaining the business but at a cost to the Pearl of more than \$23,000, exclusive of commissions to the agency.

Reinsurance of State Fund

The property of the state was first insured under a policy issued to the Montana state insurance fund. This fund was abolished in 1936 and the policy was then canceled and a new policy covering practically the same items was issued to the state. In a transaction of this nature cancellation as a rule would be on a pro rata rather than a short rate basis but by reason of the terms of the contract and the company's claim that it was legally entitled to a short rate cancellation an agreement was made by the state and Pearl to the effect that a short rate return premium would be paid. This agreement was later sustained by the supreme court of Montana.

Although cancellation was effected and the return premium paid on a short rate basis the company entered on its books a pro rata return premium. While the company contended that when this entry was made it was a true entry because of the difficulties which were involved at the time, it was allowed to remain on

Texas Department for North British; Williams Manager

The North British & Mercantile group has established a Texas department, effective Jan. 1, with Charles J. Williams as manager and headquarters in the Allen building, Dallas. The office will supervise business in the state for the four associated companies.

State Agent A. Sidney Briggs and Special Agents L. W. Blann and J. H. Calhoun will continue in their former capacities and territories. Mr. Briggs traveling out of Dallas, Mr. Blann from a newly created office at Lubbock, and Mr. Calhoun from San Antonio as heretofore.

Since 1937 Mr. Williams has operated his own general agency for Texas, representing Commonwealth and Quaker City Underwriters of Pennsylvania Fire. North British recently purchased the general agency, thereby enabling Mr. Williams to assume his new connection.

Following graduation from the University of Texas, Mr. Williams joined the Texas insurance department as inspector and rater in 1920. Four years later he joined the Dallas agency of C. L. Dexter & Co., continuing until 1926 when he became associated with the Texas Adjustment Co. of Houston. In 1927 he became special agent of North British in south Texas, and eight years later was named to succeed the late Wirt Leake as state agent, so continuing until he withdrew to form his own general agency four years ago.

He served as most loyal gander of the South Texas Blue Goose in 1935-36.

the books even after the Pacific Coast manager, the United States manager and the home office became aware of all the facts and of the disposition that was made of the difference between the short rate and pro rata cancellation. This difference, which amounted to approximately \$23,875 after deducting commissions, has never been accounted for in any way upon the records of the United States branch, the New York department states. Actually it was allowed to Charles E. Miller, the agent, to be applied against his expenses in Montana.

The action taken by the department was due not only to the acts of the company's responsible agents in connection with the writing of insurance on property in Montana and in the handling of that business but more particularly to the fact that after it became fully aware

Lumbermen's Mutual of Ohio to Cut Policy Dividends

President Charles H. Keating of Lumbermen's Mutual of Mansfield, O., announces a reduction in dividends on all policies expiring on and after Feb. 1; the new rates being based upon the company's experience on various coverages.

Mr. Keating stated that present-day loss and expense ratios, plus the uncertainty of the future, do not justify the payment of dividends which were based on conditions which were far different from those existing today.

"Since the upturn in business, losses have shown a steady increase, and premiums collected have not been sufficient to meet the increase in losses, expenses and taxes, and also to maintain the old rates of dividend," the announcement stated.

"There is every indication that the trend in losses, expenses, and taxes, will be higher rather than lower, and so we must adjust our business not only to meet conditions as they exist today, but also to prepare for a future which all must admit its full uncertainty."

Union Mutual Fire, in announcing a dividend reduction the other day, predicted that similar action would be taken by practically all mutual companies.

Sledge Becomes Assistant of Chubb & Son in Atlanta

Lamar C. Sledge, on the Southeastern Underwriters' Association staff for the last 14 years, will join Chubb & Son Jan. 1, in the Atlanta office as assistant to A. C. Wall, manager. Mr. Sledge is a graduate of University of Georgia in civil engineering and a reserve cavalry officer in the army. He is a graduate of Woodrow Wilson College of Law, Atlanta, and is a member of the bar. He also is licensed as a professional engineer.

of what had been done it failed to take appropriate action. In addition, the company appointed Mr. Merritt as its United States manager after it had full knowledge of the entire transaction.

The superintendent stated that no attempt had been made to determine whether or not violations of Montana law are involved. The witnesses are not available and anyway that is the proper function of the state authorities in Montana. They now have the entire matter under consideration and it is presently the subject of litigation there.

Whether to Hold Conventions Is Now Being Studied

A question that is likely soon to arise in practically all insurance organizations and on the part of companies is whether the customary conventions shall be held or whether the arrangements should be canceled during the war period. So far the only definite cancellations of convention plans that have come to our notice are those of Scranton Life and Guarantee Mutual Life both of which companies announce that they will not hold their customary agency conventions but instead will give those who would have qualified to attend certain amounts of defense bonds. In the last war certain insurance conventions were held as usual but others were called off. The fire insurance field men, for instance, were instructed not to hold annual outings but to confine their gatherings to business sessions in the headquarters cities in the various states. The mid-year meeting of the National Association of Insurance Agents was not held.

No Suggestion from Government

Apparently there has been no hint on the part of the government that the holding of conventions is detrimental to the defense efforts, but if there should be any suggestion on the part of the government, that, of course, would mean almost complete abandonment of conventions of all kinds. It may be that the day will arrive when the government will try to discourage unessential travel and that would be a blow to conventions. The railroads may become so occupied with transporting the military and those that have definite defense missions of all kinds that an effort may be made to relieve the pressure upon them for ordinary travel.

Another consideration unfavorable to conventions is that everyone is so busy these days at his own job and perhaps in various defense activities on the side that many who ordinarily go to conventions would not be willing to take the time during a period of war. Others, due to the increased taxes, might hesitate to make the expenditure.

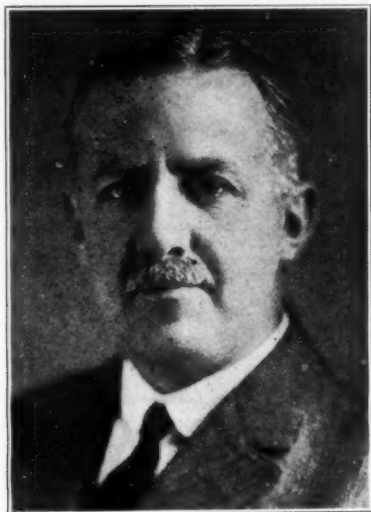
On the other hand, it may become more important than ever for members of various trades to get together in war time.

Arthur G. Randol, past president of the San Antonio Insurance Exchange, has been installed as president of the San Antonio Kiwanis Club.

Royal-Liverpool Is Revising N. Y. Setup

**Nottingham in Charge—
John Nichols Retires—
Many Changes Made**

NEW YORK—Fire companies of the Royal-Liverpool groups are rearranging the operations of their metropolitan, Brooklyn branch office and suburban business, looking to a more efficient and prompt service to the companies' representatives in this area. C. A. Nottingham, assistant U. S. manager, will be the



C. A. NOTTINGHAM

senior executive officer in charge, with Walter C. Howe acting in an advisory capacity.

John W. Nichols, local secretary of Queen, is retiring after more than 44 years of service with suitable provision for his leisure years. His friends on the staff presented him with a grandfather's clock and the management with a gold watch.

Active in Organization Work

Mr. Nichols has been active in the New York Fire Insurance Exchange, having served on many of its committees, and at the present time is executive committee chairman. He is a past president of the New York Board of Fire Underwriters, and is now a director.

J. N. Thompson, who has been superintendent of the general cover department, becomes metropolitan manager in charge of agency operations in metropolitan New York.

The counter business of Royal, Liverpool and Queen has been placed in charge of Joseph F. Murray, who has been appointed city manager, a position similar to that he has held for Royal a number of years. He will also be in charge of Royal's Brooklyn branch office. J. W. Richardson, manager of that office, remains in direct charge, and W. T. Spiegelberg has been appointed production manager there.

Simmons Is Regional Manager

O. T. Simmons, who has been special representative attached to the brokerage department, assumes the position of regional manager in suburban New York, with headquarters at Flushing, Long Island. He will be assisted by State Agents Butler, Hymel, Jamieson, Lynch, Masterson, McIlroy, Paul and Woldt, located at various towns throughout the territory.

The underwriting operations for these departments have been combined into one department under the direction of John W. Roy, agency superintendent.

H. C. Pitot, special representative in the service department, succeeds J. N. Thompson as superintendent of the gen-

eral cover division. H. C. Baker of the brokerage division has been appointed superintendent of that division, and H. T. Lewis, superintendent of the special service division, the combined service department continuing under the general direction of W. L. Falk, manager, and Clarke Smith, assistant manager.

Powers to Head Boston Board

BOSTON—Frank A. Dewick, chairman of the nominating committee of the Boston Board, has submitted this slate of officers to be voted on Jan. 13: For president, Charles L. Powers, Travelers; vice-president, F. T. Towle, Fairfield & Ellis; secretary-treasurer, James Davis; enforcing officer, John S. Caldwell; executive committee, A. J. Anderson, O'Brien & Russell; A. K. Pope, Cyrus Brewer & Co.; H. C. Read, Jordan & Reed; J. C. Cornish, Field & Cowles; B. W. Pepper, Dewick & Flanders; W. B. Hatfield, Rogers & Hatfield; F. J. Connors, Kaler, Carney, Liffier & Co.

Dr. Walter A. Judd, who spent several years in that country as a missionary, will give the **Insurance Club of Minneapolis** a close-up view of conditions in China at the Jan. 12 meeting. The program is sponsored by the Minneapolis Underwriters Association.

Broderick's Tie with C. I. T. Is Now Terminated

David P. Dinwoodie, vice-president of D. F. Broderick, Inc. (California), San Francisco; D. F. Broderick, Inc. (Illinois), Chicago; D. F. Broderick, Inc. (Michigan), Detroit; D. F. Broderick, Inc. (New York), New York, announces that the Broderick companies have terminated their United States general agency and management relationship with Service Fire of New York, effective Dec. 31, and that general agency and management contracts have been terminated effective as of that date.

New Service Fire Setup

Mr. Dinwoodie said Service Fire since the commencement of its country-wide operations in January, 1939, had been under the management of the Broderick companies, but that hereafter the company would conduct its administrative operations directly from its home office at One Park avenue, New York.

This change, Mr. Dinwoodie stated, will in no way affect the relationship of the Broderick companies with other carriers which they represent or their rela-

tionship with their correspondent agencies located throughout the country.

Service Fire is a subsidiary of Commercial Investment Trust. That its relationship with the Broderick organization would be terminated has been rumored for several months.

Heavy Hail Loss in Kansas

WICHITA—A typical spring hail storm Dec. 22, the first day of winter, hit a wide area extending from Wichita to Winfield, causing about 400 loss claims in Winfield to roofs, automobile tops and greenhouses. Glass breakage of 35 per cent was reported from some greenhouses. Adjustment offices will probably need help in cleaning up the claims. It appears none will be reported from Wichita, even though the ground was completely covered with hail stones as large as marbles. It is thought that this is the latest damaging hail storm ever recorded in Kansas.

Name N. H. Defense Committee

KEENE, N. H.—Robert M. Clark of Keene, president New Hampshire Association of Insurance Agents, has appointed a special defense committee headed by F. D. Gardner of Portsmouth as chairman, to help direct the activities of the association in the interests of national defense.



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NEWS OF FIELD MEN

Stiglitz in New Position: Greenhalgh, McMillan Shift

Andrew N. Stiglitz has resigned as special agent of Providence Washington to go with another company.

He is to be succeeded by Edward A. Greenhalgh, who has been a Providence Washington field man for more than 12 years and has supervised the eastern New York territory. He is well versed in all angles of the business. Mr. Greenhalgh's temporary address will be 512 Genesee Valley Trust building, Rochester, N. Y.

John B. McMillan has been appointed special agent in the eastern section of New York state by Providence Washington, succeeding Mr. Greenhalgh. Mr. McMillan has been in the company's employ a number of years and is well experienced in the business. His address will be Chamber of Commerce building, Albany, N. Y.

Illinois State Agent of Eagle Star to Army Post

Having been called to military service Howard W. Yount has resigned as Illinois and southern Wisconsin state agent for Eagle Star. Though his successor has not yet been selected, it is expected a choice will be made shortly. Because of his engineering ability Mr. Yount will assist the war department in surveying the fire protection equipment of plants producing defense material throughout the central west.

Northwest Name Change Opposed

PORTLAND, ORE.—The Special Agents Association of the Pacific Northwest, Oregon division, at a meeting here went on record as opposing a suggested amendment in the name of the organization. President John E. Mecke, Fireman's Fund, reported a proposed civilian defense activity which has been under consideration, including enlistment of special agents for inspection work to be coordinated with their regular traveling schedules. Possibility of assisting in organization of defense organizations within plant personnel also was considered. The subject was put over for further discussion when more definite plans are available. W. F. White, surveyor of the Oregon Insurance Rating Bureau, attended as a representative of the National Board. Frank Glover, executive secretary of the Portland and Oregon agents' associations, also was a guest.

Oregon Pond Mid-Winter Party

The mid-winter meeting and party of the Oregon Blue Goose was held Dec. 26 in Portland. For the first time, the Ladies of Blue Goose were officially named to participate in arrangements, although in the past they usually have attended as guests. Ralph Giesy, adjutant, most loyal gander, was toastmaster. Keith Rhodes, Home of New York, headed the entertainment committee.

Ontario Pond Christmas Stag

The Ontario Blue Goose held its Christmas stag in Toronto. The program included initiation, dinner and entertainment, presentation of 25-year buttons and honoring newly appointed deputy most loyal grand ganders. W. W. Benson was made a life member.

Alberta Pond's Silver Jubilee

CALGARY—The Alberta Blue Goose, organized in 1916 during the last world war, celebrated its silver jubilee at a banquet. C. J. Malcolm, present most loyal grand gander, who was most loyal gander of the Ontario pond in 1926, was present and responded to a toast to the grand nest offered by R. C. Borland, former most loyal gander of the Alberta pond.

Bland and Hackett Are Shifted by F. & G. Fire

Fidelity & Guaranty Fire has appointed Richard H. Bland, Jr., as special agent for Maryland and West Virginia. He entered the service in 1930 in the fire underwriting department, and later was inland marine special representative for Maryland, central Pennsylvania and Virginia.

James E. Hackett, who heretofore has filled Mr. Bland's new post, has been advanced to special work in the home office.

Little Balance Trouble in Va.

RICHMOND—Virginia field men report that they have had very little trouble collecting balances as the year was drawing to a close. Money, they say, appears to have been plentiful, with agencies ready in most instances to settle promptly. One special, who supervises two other states in addition to Virginia, said that only two agencies had failed to settle a week before the close of the year and he was expecting these to settle in full before 1942 was ushered in.

Report on Texas B. D. O. Rally

SAN ANTONIO—The Alamo Blue Goose heard reports on the Taylor, Tex., B. D. O. meeting from A. L. Thompson, Springfield Fire & Marine, and S. A. Dunn, Hartford Fire. They reported that the meeting had been profitable to both the local agents and the field men attending.

Benkie in Field for Yorkshire

George J. Benkie, who has been an underwriter in the Pacific Coast department of Yorkshire, has been appointed northern California special agent, succeeding William R. Kelly, who recently joined the navy as an officer. Mr. Kelly had been in the naval reserve for several years. Before joining that office about six months ago, Mr. Benkie was with the coast department of London Assurance.

CHICAGO

CLARK SOJOURNS IN FLORIDA

J. M. Clark of Chicago, who retired this week as western executive special agent of the New York Underwriters, will motor to Florida accompanied by Mrs. Clark and will spend the winter chiefly at Ft. Lauderdale. Mr. and Mrs. Clark started the Florida habit last winter and now can make their sojourn more protracted.

BRADFORD GILL HEADS AGENTS

Bradford Gill, partner in Gilbert & Gill, class 1 agency of Chicago, was elected chairman of the Chicago Agents Association at the annual meeting. For a number of years he has been secretary. Harold O'Brien of the O'Brien Insurance Agency was elected vice-chairman; Emil L. Lederer of Stewart, Keator, Kessberger & Lederer, secretary and William R. Reynolds of Childley & Reynolds, treasurer.

Mr. Gill is one of the most respected local agents in Chicago, being a man of broad experience and mature judgment. His firm handles many large accounts country and world-wide, giving a complete service for all lines, and he is thus

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familiar with most of the subjects that will come up for discussion in the agents' association.

JENKINS' SON SAFE IN PACIFIC

W. T. Jenkins, special agent of Standard of New York in Chicago, received as a delayed Christmas present a three-word cable from his son Jack W., 20 years of age, a pharmacist in the navy stationed at Cavite in the Philippines. The naval dispensary to which he was attached was bombed by the Japs Dec. 10 and the report was that everyone in it was killed. The wire was filed in Manila Dec. 24, but not delivered until two days later.

C. F. THOMAS IN TEXAS

Charles F. Thomas of Chicago, manager of the Western Underwriters Association, is now sojourning at Mineral Wells, Tex., with his family. His present intention is to return about Feb. 1.

POCQUETTE NOW MANAGER

Franklin J. Pocquette, who for the past several years has been western field representative of the Meserole companies with headquarters in Chicago, has now been designated as western field manager. Mr. Pocquette supervises the field activities of his group in most

of the middle western states and looks after activities directly in Chicago, St. Louis, Kansas City and certain other places. He is well known throughout the field. Before going with the Meserole group, he was manager in Cincinnati for Northwestern National.

75-YEAR PLAQUE TO MOORE, CASE

Hartford Fire has presented to the Moore, Case, Lyman & Hubbard agency of Chicago a bronze plaque commemorating 75 years of agency representation. Recently President C. S. Kremer and a group of home office executives gave a luncheon for officials of the Moore-Case agency.

Would Extinguish Guaranty Fund

United Mutual Fire of Boston, running mate of Liberty Mutual, called a special meeting of members for Jan. 27 to vote on a proposal to retire the guaranty capital and to issue non-assessable policies in conformity with the new Massachusetts law permitting such practice. Consideration also will be given to proposed revision of the by-laws. The guaranty capital amounts to \$100,000. In 1940 it paid \$7,000 dividends on this guaranty capital.



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Agcy. Co., Inc.
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COMPANIES

Louisville F. & M. Resources Increased by \$500,000

Capital of Louisville F. & M. now stands at \$200,000 and it has net surplus of \$360,000. When it was purchased last July by Rhode Island its capital was only \$50,000 and net surplus was only \$10,000. Rhode Island has contributed \$500,000 to its funds.

Stuyvesant to Increase Capital to \$1,000,000

In order to meet the standards of savings banks, trust companies and other lending institutions that do not have on their lists companies with less than \$1,000,000 of capital, Stuyvesant is taking steps to increase its capital from \$500,000 to \$1,000,000. Stockholders will vote on the proposal Jan. 5. There would be issued 25,000 shares of 5 percent cumulative convertible preferred stock at \$20 par value. The stock would be offered to common stockholders in proportion to their holdings. It would be convertible on or after Dec. 31, 1943, into common shares in the ratio of one for two and would be callable after that date at \$22 per share plus accrued dividends.

Title Company Writing Fire

The American Title & Insurance Company of Miami, Fla., begins to write fire insurance in its state Jan. 1. Ronald Eaton of Atlanta, for several years in charge of the southern department of Rhode Island, has been elected assistant vice-president and will be underwriting manager. The Miami company, formerly the American Title Co., recently was admitted to membership in the Southeastern Underwriters Association. Its original charter gave it authority to write fire insurance. T. H. Gibson, Miami capitalist, and Joseph Weintraub, also of Miami, are the active heads of the company.

National Union Fire again paid the usual Christmas bonus to employees at its Christmas party. Checks were presented by President J. M. Thomas and W. A. Strouss, assistant treasurer.

NEW YORK

HUNTER APPOINTED ADJUSTER

T. J. Hunter has been appointed adjuster by North British for metropolitan New York and New Jersey suburban territories. He succeeds D. H. Collinson, who is retiring. Mr. Collinson served the group more than 34 years and has been in the business since 1888. He joined North British in 1907 as New Jersey special agent, he was appointed

automobile adjuster in 1914, and five years later was placed in charge of adjustment of automobile, fire and other coverages for metropolitan and suburban territories. He started as a clerk in the home office of a large New York fire group. Later he entered the field work as special agent, traveling Delaware, Maryland and West Virginia. His associates in the loss department tendered him a dinner at which he was presented a gold watch by G. L. Scott, general adjuster, who was toastmaster.

Mr. Hunter started his career with the group as an office boy in 1922 and has spent his entire 19 years of service in the loss department, serving several years in charge of losses for New England and southern territories. Since 1940 he has been loss clerk of the metropolitan department and closely associated with Mr. Collinson.

HOME GLEE CLUBS PERFORM

The 59 Maiden Lane Glee Clubs of Home broadcast Christmas carols over Station WJZ and from coast-to-coast over the blue network of the National Broadcasting Company. In addition, a public address system was placed on the outside of the Home building, with loud speakers on William street and Maiden Lane, so those of the insurance district were able to enjoy the program.

The Men's Glee Club was organized in 1937 under the sponsorship of President Harold V. Smith and has sung Christmas carols each year on Christmas Eve. The group is a member of the Associated Glee Clubs of America.

FAREWELL TO HINCKLEY

David Hinckley, who is retiring as secretary of the committee on rates and rating methods of the Eastern Underwriters Association, was honor guest of his office associates at the Drug and Chemical club in New York Monday.

"EASTERN UNDERWRITER" MOVES

The "Eastern Underwriter" has moved into new offices at 41 Maiden Lane, New York City.

Assurance Given in Canada on War Risk Plan

MONTREAL—A scheme of insurance to cover damages to property in Canada by enemy action is being considered and any plan adopted will be retroactive to Dec. 24. J. L. Ilsley, minister of finance, announced.

Plan Women's National Meet

ST. PAUL—Details of the program for the annual meeting of the National Association of Insurance Women here June 24-27, are now being worked out by the local and national committees in charge, Mrs. Fern Harrington, general chairman, announced this week. All sessions will be held at the St. Paul hotel.

L. N. Foster, Travelers, will address the St. Paul women Jan. 13 on automobile claims.

Few Claims from Hawaii Reported

SAN FRANCISCO — No rate changes have been made in Hawaii as a result of the attack by the Japanese, according to company executives in San Francisco and so far only a few claims have been received here. The recent announcement by the Explosion Conference, modifying the rates on malicious mischief coverage, has been put into effect in Hawaii.

Managers and general agents having supervision of Hawaiian business say communication is difficult because of the demands of the army and navy but what has been received by wire, telephone and mail indicates that the long sustained low loss ratio may be raised slightly because of the fires of Dec. 7.

Casualty underwriters report about the same. Since the Japanese blitz all

of the work covered by compensation carriers has continued, with repairs being necessary in some plants and fields. Unless the Japs strike again, the general feeling is in San Francisco that the actual losses, fire and casualty, will not be serious. Most of the losses reported to San Francisco so far have been automobile collisions suffered during black-outs.

Johnson Studies HOLC Contract

ST. PAUL.—Commissioner Johnson of Minnesota has been studying the revised HOLC insurance contract and is expected to issue a ruling on it within the next week or two. He also will issue soon a ruling on term fire insurance.

The Cincinnati Fire Underwriters Association held its annual Christmas party for all class A and class B members in the conference rooms of the Carew Tower.

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PORTLAND
SEATTLE
VANCOUVER
MONTREAL
BOSTON
ST. LOUIS
LONDON

EDITORIAL COMMENT

Attending to One's Business

CLARIS ADAMS of Columbus, O., president Ohio State Life, in a message to its field men spoke of conversations he had in New York City with Canadian life officials during the time the Association of Life Insurance Presidents was meeting. One remark that impressed him particularly was made by an executive who said that he had discovered that a vast amount of time, energy and working ability was lost because people insisted on fighting over battles that were in the past. There would be a campaign by the Allies or the Axis powers resulting in a series of conflicts and many people seem to take comfort in reviewing the activities so far as they were able to get them, make criticisms, set forth what should have been done and what should not have been done.

This kind of conversation occupies a great deal of a working day. For instance, an agent visits a prospect and immediately the conversation starts about some military exploit that had been made. The agent really forgot his mission and the prospect's time was consumed. Both found solace in conversation but they were not attending to business.

Conserving Time at Conventions

THESE are the days when conservation is in the air. The war is upon us in all its demands and people will find that they are unable to purchase what they desire. The governmental authorities will preach from the housetops that this is the time to save. We agree with them that conservation of resources is highly necessary during a war period.

Let us suggest, too, that we conserve time. This should be particularly true with conventions and conferences. Railroad trains start on time, buses do the same, the curtain goes up at a theater on time and in most of the activities of life the time schedule is consistently observed.

However, it has been our observation that but few conventions ever start on time. People are kept waiting for late

The executive said to Mr. Adams that this practice was more or less destructive to people because their minds centered on events of the past which could not be reenacted. The opportunities of the present were overlooked and there was more or less depression of mind in this sort of talk. This executive would not spend valuable time in recounting the past, criticizing and suggesting what might have been done but on the other hand he was interested in the present and had an eye on the future.

He said to Mr. Adams that a person not engaged in a military or defense career could serve his country best by doing a better job than he had before in his special line. If an insurance man could be made a better insurance man at present he would be contributing more to his country than he could in attempting to analyze what he deemed mistakes of the government and the military people.

In our mind it was excellent advice. Our own work is important. If in these days of stress and turmoil we can maintain a calm, constructive spirit and make a better mousetrap than we had before it will be an achievement worth while. The Canada suggestion was worth while.

comers. The presiding officer will not begin until many of the laggards show up. Thus much time is wasted and especially with those who are anxious to be on time and see the wheels go round. There is nothing more abhorrent than a man who is late on an appointment. He is wasting the time of others usually for his own selfish purposes.

Business conventions should be run as a business organization. Time should be observed. A convention should start on the dot. We should not permit those who sleep late in the morning or who dawdle over their breakfast to hold back the machinery. It would be an excellent idea during these days for those responsible for convention management to see that the time schedule is observed in every instance.

Developing Habit of Thrift

IN almost every enterprise and industry there is seen an effort on part of the management to encourage more thrift and savings. That is responsible in a way for different plans that have been formulated for the benefit of employees. The employers may contribute a part to any such fund. They take out group insurance, hospitalization insur-

ance and now many are establishing retirement funds through the medium of life insurance or annuities so that a man at retirement may have something coming to him aside from what he might receive from the social security federal act.

Taxes will be an extreme burden. They are destined to hit almost every-

one in some way. Therefore, one's budget will have to extend itself to cover this additional outlay. All hands, therefore, should be interested in any plan that will stimulate a desire to lay up something for the rainy day or for old age. One of the disasters that may meet a man is the fact that he might live beyond age 65 and be retired with-

out sufficient income to carry him along. He then in many cases becomes dependent. Business enterprises that have a soul, therefore, feel a responsibility resting upon them for those that are retired. At the same time the employees themselves should make some contribution toward achieving this desirable result.

PERSONAL SIDE OF THE BUSINESS

Mr. and Mrs. William Stedler have announced the marriage of their daughter, Miss Helen Stedler, to Joseph Leonard, Dec. 27. Miss Stedler at one time was an employee of Home. Her father is vice-president of the "Weekly Underwriter."

C. H. Coates, former president of National Liberty, and Mrs. Coates are spending the winter in San Antonio, Tex.

Henry S. Cobb, who was just recently transferred from Illinois to the Minnesota field by Fire Association, was married to Miss Mabel Forde of Prairie du Chien, Wis.

Miss Norma Templeton, daughter of Homer Templeton, special agent in Iowa of Crum & Forster, was married in Des Moines to Joseph M. Davis, also of Des Moines. Mr. Templeton gave his daughter in impressive marriage ceremonies. Mrs. C. W. Borrett, wife of the Iowa state agent of Hanover, presided at the tea table at the reception. Mrs. Walter Nordell, wife of the special agent of Crum & Forster, played piano selections at the reception.

With the start of 1942, S. R. Howard, New Jersey state agent of the North British group, rounds out 35 years' service with the organization, having entered its employ as an office boy in 1907. He became special agent in New Jersey in 1915, and state agent in 1931. He is a past most loyal gander of the New York City Blue Goose, is now deputy most loyal grand gander for New York and New England, and is a past president of the New Jersey Special Agents Association.

Bennett McCluer of the McCluer-Wilbur Underwriting Co., Kansas City, is leaving Jan. 7 with Mrs. McCluer for two months vacation in Miami, Fla. This is an annual custom which the McCluers have followed for more than 15 years.

C. D. Williams, head of the C. D. Williams agency in Kansas City, is spending the winter operating his 1,700-acre "dude ranch" at Wickenburg, Ariz., which he bought three or four years ago.

Joe N. Cline, manager for Underwriters Adjusting at Indianapolis and supervisor of the Indiana territory, is recuperating in the Methodist hospital at Indianapolis from an operation for gall bladder infection.

O. M. Spaid, production manager in the American's western department, participated in the second annual William Woods College-Fulton Kiwanis Club vocational guidance conference held on the college campus in Fulton, Mo. He spoke on "The Transition of Youth from School to Business" at the general assembly and later in the day met with two smaller groups of stu-

dents actively interested in insurance and explained to them facts concerning the profession. Nine hundred high school seniors attended and 325 students of William Woods College.

DEATHS

E. A. Ingalls, 50, who was secretary in charge of the fire and casualty automobile department of the Loyalty group in the western department, died in North Rockford hospital where he had been confined for the past two months. Mr. Ingalls had been unable to work since February of 1940 but he had been able to get about from his home in Wheaton until he was removed to the hospital.

Mr. Ingalls in his earlier days was with National Union and was in charge of that company's St. Paul-Minneapolis branch. He then went with Firemen's about 16 years ago in the Wisconsin field and he was brought into the Chicago western department office about 12 years ago to become head of the automobile department.

Nicholas Ewens, 64, associated with John Wiersum in Ewens & Son agency, Milwaukee, died there. A son M. A. Ewens, is a solicitor with the company.

Miss Irene Florian, 76, died in San Antonio as the result of being run down by an automobile. Miss Florian and her sister, Miss Kate Florian, had been in local agency work in San Antonio for 50 years. She had her training in the agency of her father, founder of the agency now operated as Eichlitz, Dennis & Wray, the oldest in the city.

Robert H. Canfield, president of Utica Fire of Oneida county, N. Y., died at his home in Utica at the age of 73. He was one of the founders of the company in 1903 and has served as president since 1935.

L. S. McMillan of Chicago veteran adjuster, died at his home Dec. 28. He had long retired from the service and for several years had been disabled. He was born in Chicago Oct. 28, 1855. After attending National Business College at Wheeling, W. Va., he entered the employ of John Roemer Company, dry goods merchant in that city, as cashier and bookkeeper until Nov. 4, 1872, when he went with the Franklin of Wheeling. From October, 1875, to March, 1879, he was employed in St. Louis by the Scottish Commercial of Glasgow, Scotland, as bookkeeper. When that company moved its western department to Chicago he located there and continued in its service until it amalgamated with the Lancashire.

He was then appointed chief clerk in the western department of the Star Fire of New York and Union of Philadelphia, which position he held until June,



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"It's my own idea—it helps me illustrate protection!"

1881, when he went with the Niagara Fire as bookkeeper in its newly consolidated western department with I. S. Blackwelder as manager. He was appointed special agent for the Niagara in Ohio and West Virginia and later was transferred to Illinois, remaining in that position until Jan. 1, 1892.

He became supervising agent and adjuster for Niagara and Caledonian in Missouri, Kansas, Nebraska, Oklahoma, and the then Indian territory with headquarters at Kansas City. In January, 1894, the department was closed, he returned to Chicago and since then engaged in independent adjusting work. He was secretary and treasurer of the Illinois State Board in 1889-1890, was a member of its executive committee and chairman of other committees. He became a member of the Fire Underwriters Association of the Northwest in 1883. He was the author of "Special Agents Ten-Year Comparative Record and Agency Statistics." Mr. McMillan was old fashioned in dress and work. He would not recognize an adding machine or typewriter. He wrote in the classical spencerian hand.

Elbridge G. Snow, 74, banker and broker, who died in New York, was a son of the late E. G. Snow who was

for many years president of Home of New York.

Mr. Snow was at one time United States manager for several French reinsurance companies.

Robert L. Woodburn, a local agent of Tiffin, O., died at his home.

Christopher Gore, 64, a prominent marine adjuster of New York and Boston, and a former chairman of the Association of Average Adjusters of the United States, died in a Buffalo hospital.

Thomas M. Harkness, 78, state agent in Ohio and Michigan for Hartford Live Stock, died at his home in Ashland, O., following an operation and an illness of several months.

In 1908 Mr. Harkness purchased the local agency known as Harkness & Leed, and the following year became active in live stock insurance with the Indiana and Ohio Live Stock Insurance Co. This company was purchased by Hartford in 1916, and for 25 years Mr. Harkness was state agent for Ohio, Michigan being added to his territory later.

M. E. Moriarty, Chicago manager of Great American, died in the office of Dr. Jacobs in the Insurance Exchange Mon-

day morning. He came down to his office feeling in good shape but later beckoned to George J. Diener, a broker in the office, stating that he had a pain in his chest and was afraid something serious was the matter. Mr. Diener took him to Dr. Jacobs' office, who instructed that he be taken home as soon as possible in a cab. He told Mr. Moriarty to lie down on a couch and he died almost immediately. He was 67 years of age and is survived by Mrs. Moriarty and a married daughter.

P. J. Moriarty, a brother, recently retired as Detroit manager of North British.

Another brother was John Moriarty, who was also in the business and died in 1935.

Funeral services will be held at 10 a. m. Friday at St. Francis Xavier church in Wilmette, Ill. Burial will be in St. Boniface Cemetery, Chicago.

Mr. Moriarty entered the business about 1895 with Providence Washington in Chicago when the late Holger de-Roode was western manager. Later he went with Guardian of London, remaining until it reinsured its United States business. Then he went with the western department of North British & Mercantile. His next connection was with Milwaukee Fire in the field. In 1905 he went with the western department of the old Phenix of Brooklyn and subsequently became chief examiner in the western department of Fidelity-Phenix and shortly after was elected assistant secretary. While serving in that capacity he organized the brokerage department of America Fore in Chicago and later was elected assistant secretary of the America Fore companies. In 1925 he went with the Matre group of companies in Chicago as secretary of underwriting, those companies being Pittsburgh Fire, Marquette National and Great Western Fire. In 1926 he went with Great American.

J. J. Kaiser, 58, local agent at Stratford, Wis., died at a Wausau, Wis., hospital after a three months illness.

H. T. Tidmore, 57, who had operated a local agency in Mercedes, Tex., since 1919, died there.

Delaware-Maryland Election

Charles S. Davidson of National Liberty was elected president of the Delaware-Maryland Fire Insurance Field Club at the meeting in Baltimore. Vice-president is A. E. Duncan, Jr., Fire Association, and treasurer is Edgar G. Kohlepp, Central Fire of Baltimore.

Rodda Now in Chicago

W. H. Rodda of the American Mutual Alliance is transferring his headquarters from the Washington office to Chicago. He will continue to spend some time in Washington. Mr. Rodda is the manager of the Mutual Cargo Pool and secretary of both the Mutual Marine Conference and the Mutual Aircraft Conference.

Contributionship Officers Are Advanced



J. H. R. TIMANUS

J. Somers Smith retired Dec. 31 as executive secretary and treasurer of the Philadelphia Contributionship to become assistant to the board chairman. He is succeeded by J. H. R. Timanus as secretary and treasurer.

Mr. Timanus has been associated with the company for 37 years. He was elected assistant secretary in 1919 and secretary in 1938. He is active in mutual insurance organizations, being vice-president National Association of Mutual Insurance Companies, president Federation of Mutual Fire Insurance Companies, director of the U. S. Chamber of Commerce and Pennsylvania Insurance Federation.

Gwinn & Co. Pays Bonus

Homer Gwinn & Co., Chicago class 1 agency paid a bonus to all employees at Christmas time amounting to 10 percent of their salaries in 1941, without regard to length of service. Mr. Gwinn gave defense bonds and cash.

IN U. S. WAR SERVICE

Col. C. C. Neslen, former Utah commissioner, has been assigned to chaplain duty at Fort Douglas, near Salt Lake City. Col. Neslen went with the 145th light artillery to San Luis Obispo early in 1941. When about half of the regiment was sent on active duty in the Pacific he was transferred to the 115th engineers, and last week was assigned to the Utah post.

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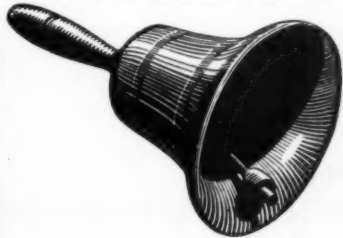
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January 1, 1942

CASUALTY AND SURETY SECTION

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Surge of N. Y. New Auto Business Ebbs with the Holidays

Big Upturn Expected, However, with Drastic Law in Effect

NEW YORK—The rising tide of new automobile liability business which has been experienced here in the last few months because of the imminence of New York's drastic new financial responsibility law ebbed sharply just before the holidays and is not expected to surge up again until motorists begin to hear of actual cases of persons losing the right to drive.

There are indications, however, that the upswing will not be long in arriving. In the last few days of the year motorists in some upstate sections where sales promotion efforts were the most concentrated have been rushing to get under the wire so as not to find themselves unprotected after the Jan. 1 deadline.

Public Not Fully Informed

The pre-holiday slump in new business tends to confirm the feeling among casualty men that in spite of the high powered sales promotion campaigns and advertising and publicity by the state and the companies and local agents the New York motoring public is only dimly aware of what is in store for it now that the law has gone into effect. Whether the slump was caused by relaxing of sales efforts or the unwillingness of motorists to discuss such a mundane subject as insurance with the holiday season at hand, it indicates that the automobile owners and drivers were not greatly concerned with getting themselves insured before the Jan. 1 dead-line.

Many Misunderstandings

The law provides that if a motorist is uninsured and has an accident causing bodily injury or property damage amounting to \$25 or more he must post collateral in accordance with the seriousness of the accident up to \$11,000. In spite of the stream of advertising and publicity put out by the insurance companies and the state motor vehicle department one driver refused to buy on the ground that if he had an accident all he would have to do would be to post \$25 with the motor vehicle department and he would be permitted to go on driving.

One point seems to have been completely overlooked by motorists. That is that the mere existence of a drastic financial responsibility law is going to make claimants much tougher to do business with. A person who was injured or whose property was damaged by a negligent uninsured driver has tended to take a bitter but resigned attitude in cases where the chance of recovering anything was remote. Under

Seek Definition of "Act of War"

A. & H. Companies Consider Referring All Borderline Cases to Home Offices

NEW YORK—Because of the difficulty of setting up an accurate definition of war exclusions that would not exclude either too much or too little, a good many members of the Bureau of Personal Accident & Health Underwriters favor the procedure of having all claims involving the war exclusion referred to the home office rather than being passed upon in the field.

The war clause excludes "war or act of war." While the companies have a definite idea of the type of claims that would properly be excluded, it is extremely difficult to reduce it to a usable formula which will neither lay the companies open to many claims that should be excluded nor give the public the idea that the companies are seeking to duck liability for many types of claims which they are perfectly willing to pay. By handling all claims involving the war exclusion at the home office, a company can at least be consistent country-wide.

Meaning of "Act of War"

The question is: How far does the term "act of war" go? For example, inquiries have come in as to whether it would exclude from coverage workers in munitions plants, Red Cross workers, or truckmen transporting parts to be used in warplanes. Companies would not consider any of these types of work as constituting an "act of war." But there are bound to be many cases where it will not be so easy to say whether the exclusion applies or not.

Unlike Life Exclusion

Accident companies face a much different problem from that of life companies in applying the war exclusion, for no life company excludes claims from war deaths among civilians except under the foreign residence and travel restriction. Since the accident policy war exclusion applies to every policyholder an endless variety of claims calling for interpretation of the term "act of war" can arise.

At last week's meeting in Hartford of the underwriting committee of the bureau it was felt that further study was necessary on what should and should not be excluded. The clause itself, however, is regarded as entirely satisfactory and there is no thought of changing it. No date was set for the next meeting of the underwriting committee but it is expected that a meeting will be called in the near future.

the new law the injured person can get the offending judgment-proof driver ruled off the road and can be depended upon to take great pleasure in doing so.

A number of alert agents have gone after new automobile liability business on the basis of the more drastic law but no matter how much advertising and other forms of sales promotion were used it was found necessary to make personal solicitations in order to get the business. At the same time it was found

(CONTINUED ON LAST PAGE)

No P. L.-P. D. Rate Increase in N. Y.

Pink Clarifies Surcharges Under New Auto Law in That State

NEW YORK—Following conferences with rating bureaus representing stock and mutual companies, Superintendent Pink has approved their recommendation that present rates for regular automobile bodily injury and property damage insurance be continued without revision for 1942. Because of the increase in accidents it had been feared that some rate increase might be necessary.

Present uncertainties as to the effect of war conditions, the new financial responsibility law which goes into effect Jan. 1, and the trend in 1941 towards an increase in accidents "lead us to believe that it would be unwise to have any revision of the rates at this time," said Mr. Pink. Any revision would be based on experience prior to 1941, and although there has been some variation within the 45 territories into which the state is divided for rating purposes, the over-all result of such a revision would be a small increase for 1942.

Rates Are Low

The average rate for private passenger cars is 49 percent lower today in New York City than it was in 1934 and 32 percent lower in the balance of the state. Substantial reductions in that period have also been made in the rates for commercial cars. Scope of the coverage has been materially broadened.

Insurance rules and procedures under the new financial responsibility act will be made effective Jan. 1. There is some misunderstanding in regard to "surcharges," Mr. Pink said. Apart from the operation of the regular rating plans (preferred risk and classification of use), there are two distinct situations where surcharges will be made.

Two Classes of Surcharges

When a person who, because he is regarded as a poor risk has been refused insurance by at least three companies, finally obtains his insurance through the assigned risk plan, he is called upon to pay a 15 percent (10 percent for long haul trucking) higher premium than if he had been able to obtain it in the regular way. That is one instance where a surcharge is to be made. The other is in connection with the issuance of a financial responsibility insurance certificate.

Except where there has been a conviction for a violation resulting in suspension or the failure to pay a judgment for damages a person who holds the regular standard liability policy meets all the requirements of the new financial responsibility law and if he becomes involved in an accident he need only furnish evidence that he has such a policy. For this "notice of policy" the insurance company makes no charge whatsoever.

On the other hand, the person who has no insurance at the time of the accident and who decides to furnish evi-

(CONTINUED ON LAST PAGE)

Eye Compensation Claims Resulting from War Acts

General Belief Injuries Are Compensable; Company Announcement Soon

Assured and insurance people are keenly interested in the possibility of compensation claims by workmen injured by bombs or as the result of an act of sabotage. There have been a number of inquiries as to the attitude companies would take toward payment of such claims, should they arise.

Almost daily meetings of the companies now are being held on the matter, and companies are outlining their position carefully. They will make a general announcement in a week or two.

Reaction of both home and branch office claim men is that such claims are compensable and will be paid by the companies. The workmen's compensation laws contain no exclusion, even for negligence. If the workman is hurt while on the job, he has a compensable claim.

While companies are considering the problem seriously, and with the possibility in mind that severe bombings may take place in this country, the general opinion is that companies should and will stay in the saddle. The bombing hazard particularly creates the need for more premiums, perhaps. But the companies may work that out with assured. Most of the large war industries on the two coasts, where the exposure would be the greatest, are on a retrospective basis, which would permit adjustment of premium to cover increased loss, if the latter wasn't too severe.

Large construction projects in Panama, Hawaii, Iceland, Alaska, and other outposts hold special interest. Information of course has dried up on Midway, Wake and Guam, where there was some construction work in progress. It is possible that the government may take over payments of compensation to or on workmen injured or killed in these outlying posts. Most of these now come under the longshoremen's act, which was amended Aug. 15. That act provides higher compensation than state compensation laws.

American Automobile Gives Stand on Blackout Losses

American Automobile has issued a bulletin to its agents on the question of liability for losses in a time of blackouts.

"To clarify the situation insofar as this company is concerned," the bulletin states, "we won't deny liability simply and solely because an accident or loss occurs during a blackout provided the accident or loss would be within the terms of the policy if occurring at a time other than during a blackout."

Unusual Thefts of the Year

Tastes of Light Fingered Range from Sidewalks to Banana Splits and Pet Fish

Stealing of three sections of a public sidewalk was the most curious act of thievery reported during 1941, according to Travelers Indemnity, which has made a year-end review of unusual thefts, burglaries, robberies and larcenies throughout the United States.

A citizen of St. Paul was observed prying up three squares of concrete sidewalk in a residential district and loading them into his automobile. When apprehended he said he didn't know anybody owned it. He was required to replace the stolen sections of concrete while policemen watched.

In Denver, burglars broke into a theater and ripped 41 pipes out of an organ while in Detroit, police caught up with a man who admitted having forced an entry into 13 confectionery stores simply to stuff himself with goodies. In one place he stayed three hours, "just mixing myself banana splits, sundaes, and other refreshments."

Meanest Burglar Steals Fish

One of the meanest burglars with the aid of a frosted lemon cake and a candle, stole more than 500 pet trout from a Schenectady banker who kept them on his estate in a pool over which he had erected a large wooden shelter. The fish were so tame they ate out of his hand. He tossed cake crumbs on the surface of the pool and then by candlelight netted almost every one of the trout-fancier's pets.

The biggest haul was a 26-passenger bus, stolen from its parking place in Jersey City before 5 o'clock one morning by someone evidently in a great hurry to get to Newark. It was found abandoned in the latter city several hours later. A thief with more leisure and ingenuity stole a smaller bus in Syracuse and drove about the city collecting fares for three hours before he disappeared, with the fares. In Washington, a mailman's cart was stolen but all his letters were delivered for him.

Returns Stolen Checks

In the course of their criminal activities, burglars, hold-up men and thieves revealed themselves to be sometimes considerate, sometimes vindictive, and sometimes annoyingly persistent. Burglars who rob a cafe safe of \$1,310 returned by mail \$219 in checks, though neglecting to put enough postage on the envelope. Yet such consideration was evidently unknown to an Alameda, Cal., gunman who, with inexplicable viciousness, poured a bottle of ink over the proprietress of a grocery store he had just robbed. In Salt Lake City, a persistent thief who had stolen a woman's washing off the line returned two weeks later to steal her washing machine as well.

Victim Saves Robber

Unusual magnanimity on the part of a robber's victim was demonstrated in New Jersey, where five armed men invaded a real estate office and tied up two agents. The thugs had taken \$1,000 from the office safe and were waiting for a collector to show up with \$3,000 more when one of them decided to take a drink from an unlabeled whisky bottle he had discovered. As he raised it to his lips he was halted by the sight of one of the bound men violently shaking his head. The robber set down the bottle, untouched, and shortly he and his gang departed. When rescued, the real estate agent who had warned him disclosed that the bottle had contained muriatic acid.

Snatch Flowers From Graves

Teamwork among criminals produced two noteworthy results during the past year. A gang of criminals temporarily hampered national defense efforts by stealing thousands of sewing machines

from shops making army, navy, and marine uniforms. Thieves banded together in Chicago built up a \$100,000 annual business selling flowers which they snatched from new graves in the city's cemeteries each day before dawn. They guided their activities by reading obituary notices.

Probably there were no more disappointed criminals in the United States during 1941 than the thief in Philadelphia who stole two attractive unlabeled bottles containing rat poison and roach powder, the one in Salt Lake City who made off with 15 drawings of a cemetery, and the Indianapolis burglar whose loot totaled 11 cents and who left behind him his cold chisel, jimmy, and shirt.

Clumsiest robbers of the year were those who stole 32 cans of vanilla beans, valued at more than \$15,000, from a consignment just arrived in New York from the Netherlands East Indies, and then sought to dispose of them to detectives for \$8,000. The smartest burglar of 1941, on the other hand, seems to have been the one in Newton, Mass., who brought along a rubber bone in his tool kit and amused a family's watch dog with it while he ransacked their apartment without interference.

The year's most audacious thief undoubtedly was the one who, during a birthday dinner party for a New Jersey sheriff, stole two large silver candlesticks which had been given to the sheriff by his hosts, police chiefs and detectives. The boldest escape of a criminal during the past 12 months seems to have been that of a burglary suspect who, tired of being questioned on a Pittsburgh sidewalk by two policemen, broke away and drove off in their radio-cruiser, which was waiting at the curb with its engine running.

The year's most spectacular getaway was effected by two hooded armed men in Farmville, Va. After robbing a street workman of \$510 they escaped on a 10-ton steam roller.

Industrial Accident Increase Is Sampled

The National Safety Council is now making a survey monthly of industrial accidents, somewhat comparable to its study of automobile fatalities. This survey is of a sampling nature, since the reports are collected from 21 of the principal industrial states. The fatalities in those states for the first 11 months of this year totaled 7,118, which was an increase of 8 percent over the same period of 1940, the safety council finds. For November alone the accident deaths totaled 598 which was a 14 percent increase from the same month a year ago.

Managing Director W. H. Cameron of the National Safety Council states that the increase is attributable to the fact that war production has sent thousands of new men into industry with little or no advance training or previous experience with machines and material. Many more have been recalled to employment after varying periods of unemployment in which their skill and dexterity have been dulled. In many plants speed up of production has resulted in unprecedented operation of machinery with minimum time out for maintenance and repair. However, in many plants where accident prevention work has been intensified there has been a much smaller increase in accidents or indeed an actual decrease.

Liberty Mutual 8 1/3% Bonus

Liberty Mutual will pay a cost of living bonus of 8 1/3 percent to employees other than officers and those who receive \$5,000 a year and more. The payment will be made at intervals of two months.

Henry Carter of Caledonian. Now in U. S. Post, Tells Story of Travelers Origin

The story of how a young British clerk helped found the oldest and largest casualty insurance company in the United States was heard recently for the first time in this country when Henry Carter, an Englishman at present attending to American interests of Caledonian of Scotland, paid a visit to the home office of Travelers.

Mr. Carter entered the insurance business at an early age, his company having been the Railway Passenger Assurance Company of London and his immediate superior having been Frank L. Harding, its secretary. Harding, like Carter, had become an insurance man early in life and he therefore took a paternal interest in the boy.

"Carter," he used to say, "never think small favors don't matter. By doing a small favor for a stranger, I became the founder of the first casualty insurance company in America."

He would then point to a photograph on the mantelpiece. It was the likeness of a patriarchal countenance, with Homeric beard and brow. Beneath the picture was inscribed: "To Frank L. Harding, the real founder of the Travelers Insurance Company, U.S.A."

Mr. Harding would then tell how, many years before, an American had come into the office of the Railway Passenger Assurance Company and had asked to see the senior official so that he might satisfy his curiosity concerning an accident insurance ticket he had bought on a journey from Leamington to Liverpool. The senior official, one W. J. Vian, shunted the American over to his youthful clerk, Master Harding.

"He asked 10,000 questions in an hour," Harding used to say of the American, "then disappeared. Some years afterward he wrote to me. His name was James G. Batterson and he told me I had helped him organize the Travelers. If you ever go to America, visit that company and see how tall oaks from little accommodations grow."

Mich. Insurance Interests Unite in War Effort

Under the title "Affiliated Insurance Interests of Michigan" with W. G. Curtis, president of National Casualty, as chairman, a program is under way to enlist all persons engaged in the insurance business in the state. The objective is to coordinate the plans and efforts of the 35,000 insurance people in Michigan in support of all approved national, state and municipal activities relating to war. The members pledge themselves to give their time, energy and resources in civilian war effort. The first activities are in connection with the Red Cross drive and the defense bond and stamp program.

Central Surety Withdraws from Surety Association

KANSAS CITY—Central Surety has notified its agents that effective Dec. 31 it is withdrawing its fidelity and surety department from membership in the Surety Association of America and affiliated organizations.

This action, according to the announcement signed by President R. E. McGinnis, brings the fidelity and surety department of the company in closer agreement with the general operating policies followed by all of its other departments since formation of the company. The move involves no change in production or agency practice.

H. E. Baker Becomes Broker

H. E. Baker, who has been special agent of New Amsterdam Casualty in Indianapolis for nearly 12 years, has made an office broker connection with the Indianapolis branch office of Aetna Casualty.

Air Raid Measures Are Formulated for Hartford Defense

Thirteen precautions that should be observed by employers and building owners for the protection of employees and tenants from air raids were set forth in a report submitted to the Hartford defense council and accepted by that group. It was prepared by a sub-committee headed by J. A. Burbank, superintendent engineering and inspection division, Travelers.

Every employer's basic plans, the report stated, should include provision for the establishment to become self-sustaining with no assistance from the community throughout periods of alarm.

Sections designated as shelters at all times, day and night, should be available to the public; detailed plans for movement of occupants who may be in the building or who may wish to enter it should be worked out in advance; special provision should be made for additional risks which result from overcrowding buildings; establishments should be held responsible that all their employees know what to do in event of alarm, with an adequate number and suitable proportion of employees trained in first aid, fire fighting, salvage and possibly anti-gas measures, and properly equipped; definite instruction formulated for key workers responsible for such duties as closing gas or water valves and tending boilers, these to be posted in pairs in case of casualties.

Other Suggestions Offered

Other suggestions are that each establishment should plan for a guard system to foil any and all attempts at looting, theft and sabotage; should arrange for installation of distinctive, audible alarm signals for guidance of occupants; should provide means for communication with essential public services, fire, police, water and medical departments, megaphone and microphone loud speaking equipment probably will be desirable for places of congregation; a few simple portable screens may be desirable around first aid cases should that need arise; drinking water and toilet facilities should be available to shelter areas; consideration must be given to proper directional signs and painted indicators both inside and outside the building.

Travelers announced establishment of an engineering service devoted exclusively to blackout and air raid preparations and precautions for the benefit of policyholders in business and industry throughout the United States. The work of this service will be closely coordinated with the activities of civil defense authorities.

Mobilize Agency Force to Locate Miss Stone's Fiance

When the wedding of Katharine Leggett Stone, daughter of E. C. Stone, United States manager of Employers Liability, had to be postponed and the invitations recalled because the groom, Lieut. John W. White, received unexpected orders to rejoin his regiment, Miss Stone immediately took a plane for the west, and left to her father the task of locating her future husband and getting him to a rendezvous she planned. Telegrams started flying and the entire agency force of Employers Liability throughout the south and west got busy. Finally, one alert agent caught the train in a far western town where it was halted for a brief stopover. He found the lieutenant and hurriedly gave him Miss Stone's temporary address on the coast.

Mr. and Mrs. Stone took a plane for the coast, and on the same day and at the exact hour in which the original ceremony was to have taken place in Boston, it was held in a little hillside church in a small town on the west coast.

War Loss Cover on Securities Sought

Precautions Are Taken to Protect Stock and Bond Certificates

NEW YORK—Representatives of the surety companies and the Association of Stock Exchange Firms have been negotiating for a new indemnity bond which will protect such firms against the loss of securities in their custody from the acts of an enemy such as bombardment. The blanket bond for brokerage houses contains a war risk exclusion clause.

In London, stock exchange brokers have disclaimed liability on such securities from such acts of the enemy and as a result owners of such securities generally have put their securities in places which are considered safe.

The New York stock exchange has been helped in its study by the experience of the London stock exchange. However, most trading in shares is on a future delivery basis and brokers are not required to have their securities physically available every day.

System Is Perfected

The Stock Clearing Corporation, through which millions of dollars of securities pass every day, has perfected a system calculated to give the greatest possible protection. Its staff has been trained in the quick handling of securities. When an air raid warning sounds, they are to be piled face downward into wire trays and carried to the main vault. As soon as the last tray is in place or as soon as the first detonation is heard, the doors of the main vault are to be closed. Securities left outside or securities which are on their way when an air raid siren sounds are to be placed in one of two smaller vaults.

Detailed Instructions Issued

The Association of Stock Exchange Firms has sent out a list of detailed instructions to members. The instructions urge that security boxes be kept in a safe deposit vault and that removal from such boxes be made upon requisition and completed in the vault. Only a "working" sum of pledgeable or active box securities should be kept on the premises containing a minimum of securities to meet delivery and bank loan substitution requirements. All securities brought to the premises which are not actively handled should be kept in steel boxes, fireproof if possible, and equipped with self-locking devices, each box to show the firm name plainly.

It is further suggested that petty cash funds be kept to a minimum. Fireproof containers should be provided so that securities may be tightly packed into them when an air raid alarm sounds.

Location of Safes

Safes should be located wherever possible on a girder with their backs to the wall and the ideal spot is a corner formed by the outer and inside walls. They should not be opened until after the surroundings are stone cold in order to avoid the possibility of spontaneous combustion.

It is essential to keep an accurate record of stock certificates and bond numbers. This will help in stopping transfer in case securities are stolen and in obtaining new securities in case of destruction. A duplicate set of all records is desirable, the duplicates to be kept in a safe deposit vault. Employees should be thoroughly familiar with local air raid alarm regulations and assigned to specific duties.

Precautions on Messengers

Only American citizens at least 18 years of age should be used as messengers and no delivery should be started or messenger dispatched after an air raid alarm has been sounded. Messenger should be equipped with a satchel or

Medical Payments Cover Approved in Pennsylvania

HARRISBURG, PA.—The Pennsylvania insurance department has authorized the issuance of medical payments coverage in connection with liability forms with the restrictions that the named insured cannot be included under the coverage and a covenant not to sue for further damages cannot be included. Contracts or endorsements must be approved by the insurance department. However, it will not be necessary to re-submit the policies recently approved in which it was indicated by an asterisk that such coverage was not written in Pennsylvania.

Gives Result of Study on Motor Accidents in a Large State

Some interesting statistics are given by the Retail Credit Company which made a study of automobile accidents in one of the largest states. There were 50,000 cars of some 2,000,000 registered involved in accidents. The Retail Credit discovered that cars less than three years old were responsible for 10 percent more accidents than their regular proportion to the total number of cars of this group. Cars from three to five years old ran at the same proportion of accidents while the oldest group, those over five years old, were responsible for 10 percent fewer accidents than their proportion. It was stated that the new cars were exposed to greater use than the others and this in connection with business duties increased the accident frequency from 9.3 percent for class A-1 and class A to 13.3 percent for class B.

The Retail Credit had made another study as to age of drivers in relation to accidents and it was found that the highest percentage of fatal accidents could be attributed to drivers under age 18 with a steady improvement to age groups of 40 to 49 from which point there was a gradual increase.

Tragic Bus Crash in St. Louis as Insurance Starts

Hartford Accident, which just recently took over the account of the St. Louis Public Service Company, starts out with a big case. A bus of the public service company crashed into an oil tank following collision with an automobile Christmas morning. Ten persons were killed and 21 others were burned. A building was also consumed in the flame. Until Hartford Accident took over the line, the St. Louis Public Service Company was a self-insurer. It is estimated that the Hartford Accident's premium will amount to about \$1,500,000 annually.

The accident was the worst in the history of the public service company.

Under Missouri laws a maximum of \$10,000 may be collected for death through accident. Of the 10 that were killed, nine were passengers and one was the driver.

wallet attached to the person of the messenger and containing the firm name and address. Too many securities should not be entrusted to any one messenger. Delivery should not be surrendered by the messenger unless a window ticket or other receipt is obtained and under no circumstances should messengers surrender the securities entrusted to them to any one other than the person originally designated to receive them.

Boxes transported to and from safe deposit vaults should not be chained together and the number of boxes per trip should be kept down. If boxes are on the street when an air raid alarm is sounded, employes should be instructed to seek shelter in the center portion of the nearest building and remain there with the boxes until an all clear signal is given.

Typical American Nurse Is Sought as A. & H. Week Feature

Who is the typical American nurse? A nationwide search for the girl who will be queen of 1942 Accident & Health Insurance Week has been launched by the general committee in charge of the week.

The theme, "America's First Line of Home Defense," is being carried out in



color with the new Accident & Health Week poster. Insurance companies, regional groups and the principal airlines are cooperating with the committee to publicize the search for the typical American nurse. Accident and health associations are inviting local hospital organizations to enter photos of the nurses in the contest. The winner will receive a \$250 United States defense bond. Every nurse, registered or in training, will be eligible.

Not Seeking Glamor Girl

Posters and displays, now on the presses, were designed by R. Wilson McCoy, magazine and poster illustrator, who chose Margie Evernden, Michigan model, pictured herewith, to pose for his work. The committee stresses that the nurse selected need not look like the girl on the poster, and in the photo entered in the contest she need not be dressed in uniform.

The committee is not searching for a "glamor girl" to represent America's typical nurse. Judging will be on the basis of sweetness and wholesome appeal.

The country has been divided into regions, with each regional group doing its own judging of entrants in the contest, and each will select its own "typical American nurse," who will represent that group in the national judging. The Accident & Health Week committee is contributing toward any gift selected by the regional groups to be given the winning nurse in its own district. Miss Evernden is expected to make personal appearances at meetings during the preliminary program, and will act as maid of honor to the girl selected as the typical nurse in her home district.

A coordinated publicity campaign is planned to break in all key communities simultaneously. To insure reaching every agent and broker with the story of Accident & Health Week, leading companies are cooperating in an elaborate advertising campaign in the trade publications, and many company publications will feature articles about the week and the opportunity afforded agents and brokers to increase their production.

The committee's selection of a patriotic theme for the 1942 week is most appropriate in view of the all-out defense efforts, and is expected to attract widespread attention.

Substantial Boiler, Machinery Gain

Marked Demand for Coverage—Priorities Clause Important Development

NEW YORK—Steam boiler and machinery premiums will show a substantial increase when the results for the year have been tabulated. The national defense effort has given considerable impetus to demand for the coverage. In November, the companies adopted a priorities clause in order to safeguard themselves under use and occupancy coverage when a loss would be apt to be large because of the difficulty in making repairs to equipment through inability to get needed parts or materials.

The clause used by one company reads, "The company shall not be liable for payment for any time during which the resumption of business is, in any way, curtailed, delayed, or interrupted because of any law, or any order or provision having like effect, regulating or restricting directly or indirectly the acquisition of material or labor or other means required for the repair of any property damaged or destroyed or for the construction or acquisition of property to replace such property damaged or destroyed or because of the suspension, lapse or cancellation of any license, lease, privilege, right, contract or order."

Inspection Services In Demand

The inspection facilities of the boiler companies have been in demand because of the check they are able to make on equipment to insure that it is in good order, thereby enabling it to meet the demands made by 24-hour operation. It is recognized that some kind of a maintenance plan must be worked out in order to assure the most efficient use of the equipment.

A large number of engineers are working in government service. Some difficulty has been experienced in getting a large trained staff to meet the demands caused by the increase in business.

Malicious mischief and vandalism cover is available at an extra premium. However, vandalism or sabotage is very difficult to prove in most cases.

Adjusted to Normal Conditions

Should a loss occur when priorities are involved, the companies do not disclaim liability, but endeavor to adjust the loss on the basis of what it would ordinarily be with normal conditions prevailing.

A steam boiler company had a loss on a turbine recently before the priorities clause was in effect. A breakdown occurred and the machinery was sent to the factory. Steel for the broken part was arranged for. A government man saw the steel being milled and asked who the work was being done for and whether there was a priority order. Since there was none, he ordered the work to cease and the equipment laid there for two months, costing the insurance company \$2,000 a day and the ultimate liability probably being limited to the policy limit of \$100,000.

Minn. Decision Is Clarified

ST. PAUL — A report of a Minnesota supreme court ruling, recently published in THE NATIONAL UNDERWRITER, stated that the court upheld an award of compensation against the city of Duluth to the widow of a WPA worker who already had been awarded compensation by the federal government for the death. The deceased was killed while working on a street project in Duluth.

What the ruling really said was that the payment by the federal government need not prevent the widow from seeking compensation from the city also. No actual award of compensation against the city of Duluth has yet been made.

Former Organization Leader Dies

F. Robertson Jones, who retired a few years ago as general manager and secretary-treasurer of the Association of Casualty & Surety Executives, died at Winter Park, Fla., at the age of 69. His health had been poor for several years and he had been critically ill for the past three weeks. Funeral services were held at the Madison Avenue Presbyterian Church in New York, Tuesday.



F. ROBERTSON JONES

Mr. Jones was born in Maryland and received his A.B. and master's degrees from Western Maryland College. In 1896 he received his Ph.D. from Johns Hopkins University. For several years he was engaged in teaching and was on the faculties of Western Maryland College, Johns Hopkins University and Bryn Mawr. His specialties were economics, sociology, history and politics. In 1894-95 he served as a special representative of the United States Bureau of Education in England.

Joined Fidelity & Casualty in 1906

In 1906 Mr. Jones left Bryn Mawr to become connected with Fidelity & Casualty and four years later he was elected an assistant secretary. One of his assignments was to edit the agency paper of F. & C. and he got out a publication of exceptional value. In 1913 he became secretary-treasurer of the Workmen's Compensation Publicity Bureau which he had helped to organize the previous year. This bureau furnished subscribers with court decisions, official rulings and law changes in the compensation field and other pertinent material. He was prominent in the organization of the Association of Casualty & Surety Executives in 1926 and was appointed acting secretary and treasurer. In 1929 he was elected its general manager. He was also secretary of the Bureau of Personal Accident & Health Underwriters, the International Association of Casualty & Surety Underwriters and Insurance Federation of America. He wrote many books and articles. During the former war he was a member of the advisory board of the U. S. Bureau of War Risk Insurance, military and naval division.

Standard Accident Shows Steady Gains

Standard Accident for the 12 months ending Nov. 30, shows a net gain from operations (after federal income tax provisions) of \$9.07 per share, as compared with \$8.23 for the corresponding period of last year. As of Nov. 30, the assets were \$29,638,654, cash being \$6,652,844, federal obligations \$6,361,881; commercial paper, \$4,301,925, other bonds \$3,461,893. The loss reserve is \$10,877,333, premium reserve \$7,903,869, surplus \$7,183,383 and capital \$1,759,380.

Presumption Against Suicide Does Not of Itself Justify Compensation Award

The Illinois supreme court in the case of Northwestern Yeast Company vs. Industrial Commission, has held that the presumption against suicide is not sufficient of itself to justify an award of compensation for the death of an employee.

The facts were not in dispute. The body of the deceased was found on the ground near one of the company's buildings. On the seventh floor of the building directly above him one of the windows was open. A package of lunch presumably belonging to him was found on the seventh floor near the open window. He had not been assigned any duties which would have taken him to the seventh floor that morning.

It was contended by the attorney for the claimant that since the employee was on the company's premises at the time of the injury and there was no evidence of suicide, the case was compensable. The company's attorneys contended that the burden of proof was not on the company to prove suicide but instead that the burden was on the claimant to prove that the death for which compensation was claimed was due to an accidental injury arising out of and in the course of the deceased employee's employment.

Lower Court Sustained Award

The industrial commission awarded compensation and the award was affirmed by Circuit Judge Meier of Cook county, Ill.

In reversing the circuit court, the supreme court stated:

"Counsel for defendant in error argue that the presumption against suicide is sufficient to form the basis for a finding of accidental injury. The rule is that where the evidence shows the deceased to have been in good health and there is complete absence of evidence showing suicide, it must be presumed that the death was accidental. However, such presumption does not change the burden resting upon the claimant to establish that the death was accidental. There is a presumption that all men are sane and possessed of love of life and the natural desire to avoid personal injury and death, and in the absence of counter-vailing proof this presumption may be sufficient, within itself, to establish prima facie that death occurred other than by suicide. But the presumption is not one of law but one of disputable fact and does not relieve the claimant from the burden of affirmatively showing that the death of the deceased arose out of employment and was not suicide."

The claimant was represented by Attorney J. S. Cook, and the Northwestern Yeast Company was represented by the firm of Angerstein & Angerstein.

Citizens Casualty-New Century Deal Is Completed

Stockholders of New Century Casualty of Chicago having approved sale of the company at its net equity value as determined by the actuarial firm of Joseph Froggatt & Co., to Citizens Casualty of New York, the deal increases the capital of the latter institution to \$350,000 and adds considerably to its net surplus. Shareholders of the Chicago institution have been given stock in the enlarged New York company. Through the addition of \$50,000 to the capital of Citizens Casualty the company will be permitted to issue plate glass covers in addition to lines previously written.

Citizens Casualty has established a branch office in Chicago under the management of Albert Kahn, former president of New Century, who will be assisted by W. A. Salomon, previously assistant secretary.

Sell more accident with "Why Disability Insurance" booklets. 100 copies \$2. Order from National Underwriter, 175 W. Jackson Blvd., Chicago.

Late Fire News

Wayne County Probe Brings Two Agents in the Limelight

LANSING, MICH. — Placing of Wayne county (Detroit) insurance business figures prominently in graft charges proffered against Ed. H. Williams, and Ray D. Schneider, members of the Wayne county board of auditors, which has resulted in action by Gov. Van Wagoner looking toward possible ouster of the county officials.

Williams was accused of having accepted bribes for using his influence in placing of county business and was specifically charged with having received 20 percent of the 35 percent commission collected on county insurance and bond business placed with T. F. Gaffney, operating as the Gaffney Agency.

Schneider was similarly accused in a second petition filed with the governor. He was charged with having received \$2,507 from an illegal insurance transaction entered into with E. M. Robbins, proprietor of the Robbins Agency of Detroit.

Commissioner Berry acted promptly in Gaffney's case, the Detroit agent turning over all of his licenses under suspension pending determination of the truth or falsity of the charges involving him. The commissioner, informed of the similar charge against Schneider and involving Robbins, said department investigators would look into the case immediately.

FHA Rules on Bomb Damage

The Federal Housing Administration has ruled that properties that are damaged by enemy bombs will not have to be repaired in order to be accepted in exchange for mortgage insurance. The FHA regulations require that under the contract of mortgage insurance, foreclosed properties must be transferred from the mortgagee to the administrator, "undamaged by fire, earthquake, flood, tornado or waste" before insurance debentures are issued. The FHA now rules that damage caused by enemy bombs does not come within the meaning of the term "waste" and the FHA would not require the repair of such damage unless it was caused by fire and then only to the extent of the fire damage. If properties are damaged by fire, even though a direct result of enemy action, the fire damage must be repaired or an adjustment made in lieu of repair. The FHA points out, however, that mortgagees as well as property owners in the continental United States will be protected against fire and other losses resulting from enemy attacks by the War Insurance Corporation.

Hail Reinsurance Record Poor in 1941 Season

A few of the fire reinsurance companies write a comparatively modest amount of hail reinsurance. Their loss experience during the past season was unsatisfactory, like that of the direct companies and they are in the red on 1941 business. However, they still recall the splendid experience of 1940 and the losses last year were not as great as the profits that were made in 1940.

Hail reinsurance is usually written on a percentage basis. A company that has set a certain limit of liability per section and per township may desire to increase its capacity to accommodate agents or customers. For instance, it may have had a limit per township of \$1,750 but find that it is under pressure to write a greater amount. It may, therefore, increase its limit per section to \$2,250 through a reinsurance arrangement. The reinsurer will get two ninths of the premiums and will pay two ninths of all the losses. Most of these reinsurance deals are with smaller companies that operate in only one or two states.

Quaker City Now Ally of Atlas

R R. Martin Becomes Underwriting Manager Except for Ocean Marine

NEW YORK—Quaker City Fire & Marine of Philadelphia announces the appointment of Ronald R. Martin as underwriting manager in charge of its operations in fire, automobile and inland marine lines as from Jan. 1. President Gilbert Mather, in explanation, advises that his firm, Mather & Company at 226 Walnut street, Philadelphia, will continue to operate the head office of Quaker City as customarily and also directly supervise its marine operations.

The fire, automobile and inland marine business is being transferred to be under the direct supervision of Ronald R. Martin who, as United States manager of Atlas and president of Albany, has arranged to make available to Quaker City the entire office and field staffs of these companies in the United States, thus equipping the company with complete offices at New York, Chicago and San Francisco.

This move will mean that Quaker City, which has operated largely on a non-affiliated basis, will be brought into the various organizations of which Atlas is a member. These organizations, it is assumed, will give ample time to permit the conversion of the Quaker City plant to an organization basis.

Much Mass. Equipment Obsolete

BOSTON—In some large cities in Massachusetts the pumping engines of fire departments are from 50 to 75 per cent obsolete and the score for the state, based on a recent questionnaire, shows 38.2 per cent of the fire apparatus obsolete, declared P. C. Charnock, assistant manager of the New England Fire Insurance Rating Association and state fire coordinator under the Massachusetts Defense Council setup, in an address made to 500 fire chiefs and department officials in Boston.

It is commonly held that apparatus over 15 years old is obsolete, said Mr. Charnock. On a recent Sunday, he continued, at a general alarm fire in a leading city, three out of eight of the pumping engines and one aerial ladder broke down, while 75 per cent of the engines in use were over 15 years old.

In the pending emergency, Mr. Charnock warned the fire chiefs to guard against sabotage, particularly in the fire houses themselves.

Campbell Article in Credit Monthly

Don C. Campbell, Chicago, credit manager America Fore western department, is the author of an article, "Credit in the Insurance Business," in the December number of "Credit and Financial Management," organ of the National Association of Credit Men. Mr. Campbell reviews the development of insurance company credit departments, pointing out that their primary function is not to determine granting credit in premium payments, but to check moral hazard through financial condition of assured. The article also explains the recent moves for cooperation between insurance men and credit men and points out how lack of adequate coverage impairs a credit risk.

Finance Company Resumes

BOSTON—The Insurance Finance Company, which suspended business a year ago when legislation was passed complicating the business of insurance premium financing, has reestablished its business at 45 Milk street. E. J. Miller, a pioneer in premium financing in Boston, and with the Insurance Finance Company since 1928, will be president and treasurer.



ORGANIZED 1875



ACCIDENT AND CASUALTY INSURANCE COMPANY
OF WINTERTHUR, SWITZERLAND
111 JOHN STREET
NEW YORK

OGDEN DAVIDSON
UNITED STATES MANAGER

CHARLES A. BARKIE
U. S. ASSISTANT MANAGER

United States Branch

FINANCIAL STATEMENT DECEMBER 31, 1940

ADMITTED ASSETS

U. S. Government Bonds	\$2,385,115.18
Other Bonds	1,504,386.53
Stocks	134,836.00
Other Assets	867,741.15
Total	\$4,892,078.86

LIABILITIES

Reserve for Claims	\$ 913,754.96
Reserve for Unearned Premiums	1,032,267.02
Reserve for Other Liabilities	201,325.19
Voluntary Contingency Reserve	244,731.69
Statutory Deposit with New York	\$ 850,000.00
Net Surplus over Deposit	1,650,000.00
Policy Holders' Surplus	2,500,000.00
Total	\$4,892,078.86

Bonds and Stocks are valued in accordance with requirements of New York State Insurance Department and National Association of Insurance Commissioners. Securities carried in above Statement at \$1,326,147.25 are deposited as required by law.

On the basis of December 31st, 1940 for all bonds and stocks owned this Company's total admitted assets would be increased to \$5,088,897.15 and Voluntary Contingency Reserve to \$441,549.98.

All Assets in this Statement are held, in their entirety, for protection of United States Branch of the Company and its Policyholders and Creditors.

INVESTED ASSETS

59.27% U. S. Government Bonds
37.38% Other Bonds; 3.35% Stocks



ACCIDENT AND HEALTH

Insignia Provided for Graduates of National A. & H. Association Course

Graduates of the National Association of Accident & Health Underwriters approved course on education for accident and health agents are soon to be privileged to carry on their letterheads and cards a scroll bearing the words: "Graduate Approved Course



Accident and Health Insurance, National Association of Accident & Health Underwriters." Only those who have received a diploma, signed by the National association will be authorized to display the scroll.

President Clyde E. Dalrymple has announced the personnel of the committee on education of the National association. Mansur B. Oakes, Indianapolis, was renamed as chairman. Dr. S. S. Huebner, president American College of Life Underwriters; E. J. Faulkner, president Woodmen Accident and chairman of the Health & Accident Underwriters Conference committee on education, and E. H. Ferguson, Great Northern Life, immediate past president of the National association, are honorary members.

The local associations are represented as follows: Akron, C. C. Lake, Herberich-Hall-Harter Agency; Arizona, John Lambert, Mutual Benefit Health & Accident; Atlanta, C. B. Harrell, Columbian National Life; Birmingham, Malvin Roseman, Maryland Casualty; Canton, P. C. Rowland, Globe Casualty; Chicago, A. D. Anderson, Occidental Life; Cincinnati, J. W. Scherr, Jr., Inter-Ocean Casualty; Cleveland, W. G. Gates, Loyal Protective Life; Columbus, E. W. Welton, Business Men's Assurance; Dayton, E. R. Noe, Business Men's Assurance; Denver, S. M. Swab, Federal Life & Casualty; Detroit, Roy Long, Great Northern Life; Indianapolis, John McGurk, Mutual Benefit H. & A.; Jacksonville, Ben W. Balay, Inter-Ocean Casualty.

Kansas City, Lysle Kindig, Massachusetts Bonding; Los Angeles, Otto Kloppenburg, Hartford Accident; Milwaukee, W. A. Kempf, Old Line Life; New Hampshire, J. E. Davie, Aetna Life; New York, W. L. Kick, Century Indemnity; Newark, R. F. Sheehan, Mutual Benefit H. & A.; Oklahoma City, George Jackman, General American; Peoria, C. R. Drysdale, Continental Casualty; Philadelphia, J. F. Leibig, Continental Casualty; Pittsburgh, Ross F. Roberts, Loyal Protective Life; Portland, Ore., H. E. Witham, Federal Life; St. Louis, G. H. Means, Metropolitan Life; Salt Lake City, F. E. Walker, Mutual Benefit H. & A.; San Francisco, Marshall Goodmansson, Provident Life & Accident; Seattle, C. W. Rogers, Business Men's Assurance; Toledo, A. F. Taylor, Inter-Ocean Casualty; Twin City, B. E. Scott, Continental Casualty; St. Paul; Youngstown, Paul E. Kennedy, Loyal Protective Life.

Valuable to Have Agent Present at Claim Adjustment

Some companies writing accident and health insurance adopt the plan of having the agent who wrote the policy present at the time of the adjustment. They have two reasons for this. First, they believe that a claimant will be much more satisfied if the agent is present, as he is a friend who is interested personally in the claimant. It makes the adjustment easier, the conversation less strained, it tends to eliminate reserve and formality. A claimant perhaps is more or less disturbed in his own mind or dubious as to just what he should do. It is not the wish of the companies that the agent should participate in the adjustment in any way, except perhaps now and then to make friendly comments and to leave

on the claimant's mind the fact that he will be treated fairly and squarely.

In the next place companies find that an agent gets selling material by being present when adjustments are made. They believe that every claim settled should be a business builder. The agent should know just what the policy of his company is toward adjustments and he should be able therefore to go out with greater enthusiasm in his selling after seeing the wheels go round.

National A. & H. Bonus

National Accident & Health of Philadelphia gave all its home office employees a bonus of 10 percent of their yearly wages or salaries. The three young men from its claim department who joined the armed forces the past year shared in this bonus.

Distribution of bonus checks was the high-light of the annual Christmas party for employees of Inter-Ocean Casualty. The bonus was based on 7½ percent of salary drawn during the year. President J. W. Scherr recommended that as much of the money as possible be invested in savings stamps and bonds.

Standard Accident is lowering the age limit on its special accident policy to include school children who are 5 years or over.

CHANGES

Aetna Casualty Names New Managers at Albany and at Springfield, Mass.

H. A. Voorhees has been appointed manager of Aetna Casualty at Springfield, Mass., taking the place of John R. Holmes, who has been transferred to San Francisco as manager. Mr. Voorhees has been manager at Albany and has been with Aetna Casualty since 1915, after graduating from Bowdoin College and St. Paul College of Law. He served as special agent at St. Paul, later was attached to the Springfield office, then became assistant manager at Washington, D. C., and since 1926 has been manager at Albany.

Robert W. Conly, superintendent of agents for Aetna Casualty at Boston, has been appointed manager succeeding Mr. Voorhees.

A native of Wilmington, Del., Mr. Conly took his B. S. degree at Massachusetts Institute of Technology. He joined Aetna Casualty in 1926, as a special agent at Philadelphia. He was named superintendent of agents at Philadelphia in 1935, and was transferred to Boston in 1939.

Harlow Is Claim Head of Ocean Accident at Chicago

Robert E. Harlow has been appointed superintendent of claims for the Chicago office of Ocean Accident and Columbia Casualty. He succeeds the late Henry H. Rolfe.

Arthur J. Heinrichs has been named supervisor of automobile and liability claims to take care of the vacancy left by Mr. Harlow's promotion. Mr. Heinrichs has been with the companies a year. He formerly practiced law in Chicago.

These changes are effective Jan. 1. Mr. Harlow has been with the companies 18 years in various capacities. For the past six years he has been supervisor of workmen's compensation and liability claims in the Chicago office.

Smith with National Surety in K. C.

KANSAS CITY—Charles R. Smith, graduate of the National Surety school in New York, now is operating as a special agent out of the Kansas City

office under Manager F. A. Brinkman. Mr. Smith succeeds Lewis Schmidt, who was transferred to Hartford as manager.

A claims department has been opened by State Automobile Mutual in Kansas City. George Wise, formerly with Maryland Casualty, is adjuster in charge.

Read *Manufacturer & Insurance* by L. S. Myers to increase your sales. Send \$3 for copy to National Underwriter.

ASSOCIATIONS

Frank McGee Elected Head of Kansas City Association

KANSAS CITY—The Casualty & Surety Underwriters Association of Kansas City elected Frank McGee of the Thomas McGee & Sons agency president at its annual meeting Tuesday. He succeeds O. B. Simmons. Other officers are F. G. Packwood, Massachusetts Bonding, first vice-president, and Cliff Johnston, second vice-president. Miss Louise Price has been appointed secretary-treasurer. The executive committee consists of R. H. Hawley, Travelers, chairman; O. R. Leeds, R. S. Lovelace, Walter Cook and Fred Schmidt.

Gordon Fisher, Western Casualty, spoke on "Owners and Contractors Contingent Liability."

McGoun Elected in Albany

ALBANY, N. Y.—The Albany Casualty & Surety Club has elected the following officers: President, S. H. McGoun, Jr., Indemnity of North America; vice-president, John V. Addy, Travelers; treasurer, Frank D. Hourigan, Hooper-Holmes Bureau, and secretary, Frank J. Doyle, Fidelity & Casualty.

Would "Keep 'Em Selling"

DES MOINES — Andrew Miller, Travelers, spoke before the Des Moines Casualty & Surety club on "Keep 'Em Selling."

He urged the managers to tell local agents of new policies, such as the medical endorsement, and of others with which few are well acquainted. He appealed to them to push the new coverages as a method to keep agents selling.

James Tierney, U. S. F. & G., compared casualty business in the east and the middle west from the company, agent and customer viewpoint.

The Ohio Association of Casualty & Surety Managers will hold its next meeting Jan. 6. E. W. Sawyer, attorney of the National Bureau of Casualty & Surety Underwriters, will speak.

PERSONALS

Claude W. Fairchild, general manager of the Association of Casualty & Surety Executives, gave a luncheon for the press in New York. United States Manager J. M. Haines, Phoenix of London, and Secretary Sanford B. Perkins, Travelers, were the only company men present. Aside from Mr. Fairchild and Miss Sara Senderoff, his secretary, all other guests were members of the press. The occasion marked a triple anniversary as the date fell on Mr. Fairchild's birthday and was the approximate anniversary of the forming of the association, as well as Mr. Fairchild's connection with it 15 years ago.

J. W. Reynolds, president of United

SELL MORE A&H

"Why Disability Insurance Is a Good Investment for You" booklets help sell accident and health. 100 copies \$2. Order from National Underwriter, 175 W. Jackson Blvd., Chicago.

Conventions

Jan. 21, Illinois Fire Underwriters Association, semi-annual meeting, Springfield, Abraham Lincoln Hotel.

Jan. 22, New York Board annual meeting, 99 John street, New York.

Jan. 22, Health & Accident Underwriters Conference, mid-year meeting, Chicago, Stevens Hotel.

Jan. 26-28, National Association of Accident & Health Underwriters, mid-year meeting, Kansas City, Muehlebach Hotel.

Jan. 28, West Virginia Fire Underwriters Association, annual meeting, Columbus, O., Deshler-Wallick Hotel.

Jan. 19, Texas Casualty Insurance Congress, Dallas.

Feb. 12-13, Michigan Association of Insurance Agents, mid year meeting, Lansing, Hotel Olds.

Feb. 16, Pittsburgh Insurance Day, Pittsburgh, William Penn Hotel.

March 4-5, Fire Underwriters Association of the Pacific, annual meeting, San Francisco.

March 10-11, Minnesota Association of Insurance Agents, Minneapolis, Nicollet Hotel.

March 18-20, Louisiana local agents, annual meeting, New Orleans.

March 23, Iowa local agents, mid-year meeting, Des Moines.

April 23-24, Insurance Accounting & Statistical Association, St. Louis.

April 21-22, Western Underwriters Association, annual meeting, Greenbrier Hotel, White Sulphur Springs, W. Va.

May 11-15, National Fire Protection Association, annual meeting, Atlantic City.

May 13, Ohio Association of Insurance Agents, mid-year meeting, Columbus, Deshler-Wallick Hotel.

May 21-23, Texas Agents, San Antonio.

May 25-28, Health & Accident Underwriters Conference, annual meeting, Kansas City, Hotel Muehlebach.

Pacific, has been named chairman of a new committee on traffic safety appointed by Mayor Earl Millikin of Seattle. The services of the Seattle Traffic Safety Council, of which Mr. Reynolds is president, were offered to the Seattle Municipal Defense Commission to direct the new committee's efforts.

E. H. Mueller, general agent Pacific Mutual Life and past president of the Milwaukee and National Associations of Accident & Health Underwriters, will speak on "Why Accident and Health Insurance" at the meeting of the Insurance Women of Milwaukee Jan. 5.

John W. Cabell, former chief adjuster at Charlotte, N. C., of Travelers, and previously an adjuster for the Richmond office, died at Charlotte. He retired a few years ago. He was a brother of R. E. Cabell, attorney of the company in Richmond.

Liberty Mutual Is Interested

In a recent edition it was stated that there was no insurance on the Iowa ordnance plant near Burlington in which an explosion the other day caused the death of about 10 persons and injuries to a number of others. As a matter of fact, insurance is carried with Liberty Mutual.

Will Accept Soldier Risks

The Massachusetts department held a conference with representatives of casualty companies after having received a complaint from the Massachusetts department of the American Legion to the effect that certain insurance companies have instructed their agents not to insure men in the armed forces. The Massachusetts department gave assurance after the hearing that no insurance company would discriminate against soldiers and sailors.

Ohio Casualty Completes Move

Payment of the 100 percent stock dividend by which capital is increased from \$600,000 to \$1,200,000 was made by Ohio Casualty, Dec. 31 to stock of record Dec. 24. As of Jan. 30, Ohio Casualty's surplus and special reserves amounted to \$2,600,000 and assets amounted to \$10,300,000.

Shelby Mutual Plate Glass & Casualty gave a Christmas bonus of 4 percent of annual salary to employees.

Honor Culver on America Fore Silver Anniversary

(CONTINUED FROM PAGE 4)

ceived a clock as a gift from the officers of the group.

Distinguished guests included Otho E. Lane, president Fire Association, who for many years was closely associated with Mr. Culver in Niagara Fire; Frederick S. Pendleton of Pendleton & Pendleton, a director of Niagara Fire.

Active in Organizations

Mr. Culver not only has spent a lifetime in the business as a company executive but he has also given freely of his time and skill for the benefit of insurance as a whole and has held many responsible posts in associations and committees. In addition to being president and director of all the America Fore companies he is now treasurer and member of the finance committee of the National Board; treasurer and trustee of the Insurance Executives Association; treasurer of the Eastern Underwriters Association; member of the joint committee of the Fire Companies Adjustment Bureau; treasurer and member of the governing committee of the Interstate Underwriters Bureau; director of the Sanborn Map Company; member of the arbitration committee of the Cotton Fire & Marine Underwriters; treasurer of the Stock Company Association and treasurer of the Texas Conference. He is also on the governing bodies of the Underwriters Laboratories of Delaware, the Marine Office of America and the United States P. & I. agency.

He is also a trustee of Central Hanover Bank & Trust Company; director of Home Life and the Shell Union Oil Corporation; member of the advisory committee Chase National Bank, Produce Exchange Branch; director of Reinsurance Corporation of New York; president and director National Board of Fire Underwriters Building Corporation.

In Insurance Work Since 1900

Mr. Culver was born in Sandwich, Ill., and graduated from Grinnell College, Grinnell, Ia. After graduation he occupied himself in activities outside of the insurance business until 1900 when he acquired a small sized local agency in Superior, Wis. A year later he became special agent of Citizens of Missouri, traveling several mid-western states. About two years afterward he joined Scottish Union & National as special agent in Minnesota, Wisconsin and western Canada. In 1907 he entered the head office of Scottish Union at Hartford, and later became assistant to the United States manager.

He came to New York in 1917 as vice-president of Niagara Fire and in that position assumed with President O. E. Lane, joint managerial control of the company's affairs. When Niagara joined the America Fore organization in 1929, Mr. Culver was elected vice-president of all the fire companies in the group and assisted in the underwriting problems of all the affiliated companies.

In 1932 he was elected president of all the companies of the group and in January, 1937, following the death of Ernest Sturm, chairman of the boards, the office of chairman was abolished and the duties and authority formerly delegated to the chairman were lodged in the president.

Tax Decision on Valued U. & O. Form Brings Furor

(CONTINUED FROM PAGE 4)

nity. None of the standard forms used by fire insurance companies are valued and, while occasional special contracts have been written, opinion in the business is strongly against the principle of valued recovery.

Observers pointed out that more than a valued form is required to evade tax-

tion on use and occupancy recovery. The assured must also prove that he put the insurance money back into restoration of his plant, instead of using it as profits. Obviously, this might be difficult or impossible to prove in most cases. Certainly the government does not give up easily in tax cases and any such case might easily turn into an involved wrangle over accounting, with the result anybody's guess. If the assured carries adequate property damage fire insurance, the situation should be all the more complicated.

Doubt General Application

Insurance men who have studied the Williams Furniture case and the earlier cases are inclined to regard the recent decision as a triumph of smart legal and accounting service, and not as a general expression of principle on which insurance can be safely sold. Lawyers for the assured went to great lengths to establish the unique holdings of fact. For example, much was made of the fact that the assured had previously carried standard per diem coverage in Pennsylvania Lumbermen's Mutual and that the special valued form was substituted on the same policies when Lloyds took over part of the line. They argued that this indicated an intent to carry a different kind of insurance and the board seemed impressed. Also, in the Piedmont-Mt. Airy Guano case, there was the strange argument that the assured had been unable to get adequate property damage form insurance and took use and occupancy coverage to make up the deficiency. The Williams Furniture attorneys picked up this argument almost verbatim and again seemed to score.

No One Can Guarantee Result

Fire insurance men feel that no one can guarantee an assured the same result and that it is dangerous business for an agent or broker to make recommendations based on this case and run the risk of an adverse decision because the same facts cannot be established. The next such case might find commissioners and government attorneys with a better knowledge of insurance than was shown in this decision. There is also the likelihood of the regulations being amended if the Williams Furniture case is widely publicized.

Robertson North America Coast Head

SAN FRANCISCO—W. P. Robertson, resident vice-president and manager of the North America group at Chicago, is appointed Pacific Coast general manager succeeding Horace J. McCauley, resigned. Mr. Robertson has been for the past several weeks reorganizing the Coast set up.

Rogers Succeeds Beanston on Coast

SAN FRANCISCO—George A. Beanston, Pacific coast manager of New Hampshire Fire, former California manager for Whalley & Company, general agents for New Hampshire prior to establishment of the company department office early this year, is to retire March 1. Miley H. Rogers, veteran field man who came to San Francisco as associate coast manager, succeeds Mr. Beanston.

Fred Roberts, agency superintendent for 15 years, also retires.

REJECTED RISKS

The A. M. Best Company of New York City had a 200 percent attendance at its cocktail party given the first afternoon of the meeting of the National Association of Insurance Commission-

ers. There were received 250 acceptances. Over 500 attended.

N. Y. Bank Is Held Liable

NEW YORK—The Corn Exchange Bank Trust Company, under a decision of the court of appeals, must make settlement for certain assets of the late David Fox, which allegedly were embezzled by Chessman Kittredge, trustee, who died in May, 1936, a suicide, bankrupt.

In the four years of his trusteeship, Kittredge is reputed to have sold most of the \$450,000 assets of the estate, using the proceeds to pay off personal indebtedness. The court held that the bank, having knowledge in September, 1931, that the trustee had transferred substantial sums from the trust account to his personal account, by ignoring the facts and their necessary implications thereby "became a guilty participant in the trustee's embezzlement and from that date became liable." The case was remitted to the special term court to determine the amount of the bank's liability, plus accrued interest.

L. L. Leming, 51, local agent, died in Des Moines. He had been in ill health for a year. He had been a local agent in the city for 19 years.

Cut War Rates on British Gains

NEW YORK—In line with British gains in North Africa, American cargo underwriters have sharply reduced the war risk rate to and from all Egyptian ports, the new rate being 6 percent to and from Atlantic coast ports and 6½ percent for Pacific ports. These rates are via Cape of Good Hope. The rate to and from Port Said, Port Suez, and other non-Mediterranean Egyptian ports was 7½ per cent Atlantic and 8 percent Pacific, both via Cape, and for Egyptian Mediterranean ports 9 percent Atlantic and 9½ percent Pacific, via Cape. Rates via Gibraltar are quoted only on application.

Issue Over Policyholder Dividends in Pennsylvania

Manufacturers Casualty has brought an action in Dauphin County Court to restrain Commissioner Taggart of Pennsylvania from enforcing his order that Manufacturers may not attach to its compensation policies a rider for participation by policyholders in dividends on a loss ratio basis.

... 1942—Time to DO Things ...



And time to learn that Workmen's Compensation insurance easily can be developed into one of your most profitable lines.

Bituminous Casualty Corporation has specialized in compensation and the attendant liability lines for more than 24 years.

Assets now exceed \$8,000,000.00 and our safety engineering and claim services are the best available.

We'd like to tell you more about it.

A postal card will do the trick!

BITUMINOUS CASUALTY CORPORATION
ROCK ISLAND ILLINOIS

Insurance Teachers Gathering in N. Y.

(CONTINUED FROM PAGE 3)

ards in property and casualty insurance, headed by Prof. S. S. Huebner, University of Pennsylvania; the committee on publications, headed by J. Edward Hedges, Indiana University; and the committee on collegiate preparation for insurance careers, of which Professor Loman is chairman.

Professor Loman said that the committee had held a number of meetings with the Life Agency Officers Association's committee on relations with colleges and universities and that it had been agreed to devise a standardized form on which local general agents and managers could submit to university placement officers data on type of openings, training methods, and compensations. Details of the form are being worked out and it is believed to constitute a substantial step toward the desired goal.

"I don't think we are going to have any," was the way A. Bruce Bielaski summed up arson as a factor in the nation's war program. Mr. Bielaski, who is head of the arson division of National Board of Fire Underwriters, pointed out that up to the time this country entered the war it was clearly the settled policy of the German government to do nothing to arouse the American people which it could possibly avoid, though the Germans would probably move efficiently now that we are in the war.

Nevertheless industry and the government are much better prepared against sabotage than at the beginning of the first world war, Mr. Bielaski said. Furthermore arson in industry is not easy. It requires organization on the part of the saboteurs or else conditions of carelessness which ought not to exist if only because of the accident hazard. Today industries are more on the alert and have more effective means of fire fighting and prevention than in the last war.

No. I. W. W. in Sight

As far as trouble from radical labor elements is concerned Mr. Bielaski said there was none on the horizon as there was with the I. W. W. in the last war. He remarked that in England there has been no sabotage and none in Canada except for a few doubtful cases, of which in only one was there any link to an enemy agent. The only sabotage case in the United States did not involve arson. Nevertheless, Mr. Bielaski warned, every precaution should be taken against sabotage by arson.

Asked about business men faced with heavy loss because of inability to obtain supplies, Mr. Bielaski said he did not believe this would result in arson, since an incendiary fire would destroy plant and machinery on which any hope of future income would depend. The arson hazard arises chiefly when a merchant or manufacturer finds himself holding large stocks of goods which have drastically declined in price.

J. H. Harvey, director of the National Conservation Bureau of the Association of Casualty & Surety Executives, stressed the vital urgency of conservation of manpower and material through prevention of accidents in view of the war effort. He termed the occurrence of preventable accidents "self-sabotage." Mr. Harvey pointed out that big changes are ahead in adapting industry to war production, for only about 10 percent of American industry is producing for the armed forces today while in England the figure is 80 percent and in Germany 90 percent.

Holgar J. Johnson, president of the Institute of Life Insurance, conducted the session.

Mr. Johnson asked Mr. Harvey whether the bureau had given thought to the loss due to accidents and loss of time traceable to health impairments. Mr. Harvey conceded that one of the weaknesses of the national safety organizations was that they had not given enough consideration to the physical

condition of workers. He remarked that even a condition no more serious than a severe headache could make a worker measurably more accident-prone for the time being.

W. D. Winter, president of Atlantic Mutual, talked on marine insurance under war conditions.

Capt. Reese F. Hill of the War Department described the various considerations leading up to the adoption of the war department insurance rating plan.

He said that the plan produces insurance costs on what is believed to be the most economical basis consistent with sound underwriting practice, eliminates the competitive element by permitting the contractor to select an insurance carrier with whom he customarily deals in the ordinary course of business, eliminates the cross liability problem in the majority of cases, and because of its uniformity and simplicity permits insurance to be administered without difficulty by the field forces of the war department's procurement agencies.

In answer to a question Captain Hill said that the loss ratios were running not more than 30 percent on the average. Asked about the extent to which agents and brokers are acting as insurance advisers under the plan, he said that the only case he knew of where the adviser was not an agent or broker was that of the Indiana Audit & Inspection Bureau.

Capt. Hill paid tribute to the cooperation of the insurance business and mentioned particularly the advisory committee headed by Vice-president G. S. Van Schaick of New York Life and of Superintendent Pink of New York and his staff. Capt. Hill predicted that one result of the war department plan would be to enhance the public's esteem of the insurance business.

Captain Hill said that the War Department realizes that no mistake was made in its decision to utilize the facilities of the insurance industry in the performance of the difficult and tremendous task before it and that for the most part the confidence in the industry's ability to do the job and to do it right has been amply justified.

Dr. S. S. Huebner, University of Pennsylvania, was toastmaster. Superintendent Pink spoke briefly.

J. E. Hedges of Indiana University gave a report as chairman of the publications committee. Last July that committee recommended that the association put out a "scientific journal covering the entire field of insurance." The cost would run about \$1,200 or \$1,500. At this time Mr. Hedges said the committee hesitates to make a definite recommendation that the publication be launched, because of the current situation. Mr. Hedges said the final decision should be left to the association and to the executive committee.

Actuarial Firm Is Changing Its Name

The firm of S. H. & Lee J. Wolfe, consulting actuaries, auditors and accountants, 116 John street, New York, announces that its title is changed to Wolfe, Corcoran & Linder. No change in the membership of the firm is involved.

The business was founded by the late Gen. S. H. Wolfe in 1897. In 1903 Lee J. Wolfe became associated with his brother. In 1928, following the death of General Wolfe, W. M. Corcoran became associated with the firm. In 1932 Joseph Linder also became associated with the office.

Conkling, Price & Webb Party

Conkling, Price & Webb, Chicago, combined the annual "grab bag" party with a Christmas dinner. Lew H. Webb, senior member, was toastmaster and L. W. Zonsius and W. T. Cline, members of the firm, were Santa Clauses.

Dependable Insurance Service

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Aggressive Selling Assistance

A multiple-line stock casualty company which offers financial strength—prompt claim service—up-to-the-minute sales and advertising aids—standard policies. It will pay you to investigate The Buckeye Union, an aggressive company for aggressive agents. Writing Automobile, Plate Glass, Burglary and Public Liability.

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Territory in
Ohio and
Indiana

"Information, Please"—

That's what prospects actually indicate is their attitude when approached on PROVIDENT COMPLETE PROTECTION.

WHY this openly expressed desire on their part to learn all about this plan of complete personal protection?

- Because it's NON-CANCELLABLE to age 65.
- Because it combines in one plan the benefits of Life Insurance *plus* those of Non-Can Disability, meeting life's hazards on ALL FRONTS.

No wonder Provident Fieldmen find it gets them in—keeps them there, for a real interview.

PROVIDENT
Life and Accident
Insurance Company
Chattanooga—Since 1887—Tennessee

Insurance Problems with Tire Rationing

(CONTINUED FROM PAGE 4)

allegedly conducting their work in a superficial way due to the fact that they got about in automobiles. The theory was that a field man could get out of town so easily with his automobile that the average agency visit became a pretty slap dash affair wherein the field man would take up some suspense matters and whatever was of immediate concern. Whereas if the field man could not get out of town for a few hours he would try to get the agent to pay him for his time by developing some business. It appears now that this theory may be put to a test.

From an underwriting standpoint, the tire rationing and the threatened rationing of new automobiles will have important and interesting results. One possibility is seen that, due to the doubling up in the use of automobiles there is likely to be more injuries per accident. This may not only increase the losses under the regular automobile bodily injury liability cover but may have quite an effect in connection with the so-called medical payments endorsement.

Less Congestion on Road

Of course, if the tire rationing should cause a great number of cars to be withdrawn from service that would mean less congestion on the road and presumably fewer accidents but there would also be some accident breeding factors, such as the continued use of tires after they have gotten in dangerous condition and perhaps driving at too fast speed with retreaded tires. There is the favorable consideration that conservative driving may be promoted by a desire to conserve rubber.

Another problem that is feared is an increased difficulty in making settlements with claimants under theft policies, collision and property damage covers where tires have been stolen, destroyed or damaged. The true measure of damage should be the intrinsic value of the tire probably as of some date prior to the rationing order but it is anticipated that a good many claimants may make some unreasonable demands that will produce unpleasant situations.

While there has been slight increase in tire thefts, the real theft situation will develop when people actually begin to feel the pinch of the rubber shortage, when they are no longer driving less to conserve tires but face cessation of driving altogether because their tires are worn out.

The National Automobile Underwriters Association has bulletined its field men to start immediately to contact auto theft details of police departments and impress on them the need for action to prevent the spread of tire thievery. If the police keep a close eye on the possible fences, they can do much to hold down the thefts.

Suggest Keeping Serial Numbers

Another effort suggested is to get members of the public to keep serial numbers of tires. If this were done, it would enable police to return tires to their owners in case of recoveries. As it is, identification of a tire is extremely difficult, if not impossible, even if the police find it.

A few assured who have lost tires since Dec. 11 have insisted on the insurance company replacing the tire rather than paying them the money. This of course has been impossible under the Henderson ban, and insurers do not expect to pay off in tires until the government restrictions are lifted, which may be a long time. Under the policy the company can pay in money for a tire loss. This will probably be done at the market price current at the time of the theft, or at the last known market price, if new passenger car tires should disappear entirely.

One of the queries on the tire situation heard this week was what the auditors, engineers and claim men of the

large casualty companies going to do without rubber.

Insurance on bus lines is based on gross receipts. As travel by car decreases, these receipts should swell, and the premiums of insurers along with them. In connection with P. L. and P. D., there should be fewer pleasure cars on the road, thereby reducing the liability exposure.

Some insurance agents have already, as a good will gesture, started enclosing in premium notices and other mailings to policyholders a warning that automobile tire thefts will increase and recommending that the motorist lock his car at all times and be careful where he parks it.

Premiums Likely to Decline

Some company officials predict that automobile premiums for 1942 will be at least 50 percent less than in 1941, due to tire rationing and the almost complete elimination of new car production. It is with the sale of new cars, of course, that companies get the big bulk of their automobile premium volume. The effect of severe tire restrictions on passenger car operation will be enormous, and industrial fleet operations are bound to be cut down to some extent, even though service fleets like ice, laundry, and possible bakery will continue to get some rubber.

From the company standpoint the cut in auto premiums probably won't be so bad as it will for agents. Experience currently is poor on all auto lines, and a big reduction in exposure even with less premiums may be helpful. It is pointed out that the companies probably will be able to show a good statement for 1942, in spite of decreased premium because they can lower their reserves.

FAVOR 35-MILE SPEED LIMIT

RICHMOND—The Virginia assembly in January will be asked by the state defense council to pass a law limiting the speed of all motor vehicles except military, to 35 miles per hour as a means of conserving rubber. It would also tend to reduce the number of accidents.

C. I. LONG NAMED RATIONER

MINNEAPOLIS — Clare I. Long, vice-president of Marsh & McLennan, Minneapolis, has been appointed regional director to coordinate tire rationing in Minnesota, North and South Dakota and Iowa. He will serve as volunteer liaison man between federal

control agencies and state and local boards.

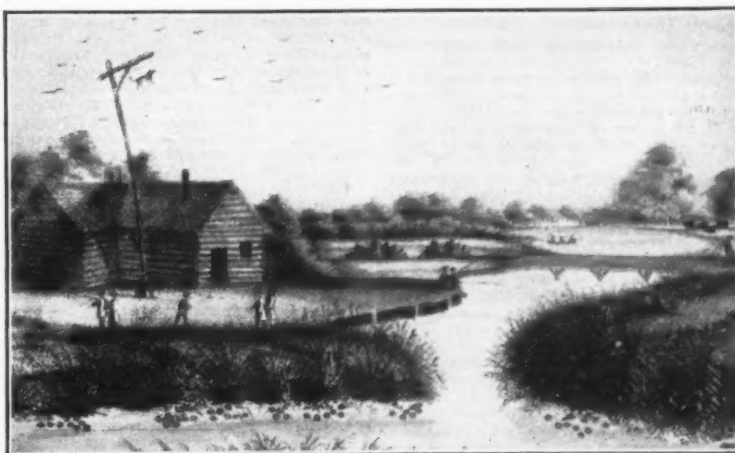
pany's Cleveland office will be the new superintendent.

Claim Change at Dayton

DAYTON, O.—A combination Christmas and going-away party for John M. Brewer, claim superintendent for Indemnity of North America, was held here. Mr. Brewer, who was president of the Dayton Claim Men's Association, and well known in southern Ohio, has been in Dayton for six years. He is leaving for parts unknown for a well deserved rest. The party was attended by numerous company representatives and central Ohio agents. N. F. Tower of the com-

N. J. Bar's Insurance Parley

The insurance section of the New Jersey State Bar Association will hold a symposium the afternoon of Jan 9 preceded by a luncheon at the Newark Athletic Club. "War Time Industrial Problems in Workmen's Compensation Coverage" will be discussed, led by Joseph C. Paul. Lionel P. Kristeller is chairman and Samuel M. Hollander, secretary of the section. Insurance men will be invited as guests to participate and give their views.



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SITE OF PRESENT LAKE & MARKET STREETS
NO MENACING DRAM SHOP LIABILITY LAWS
IN THOSE DAYS

NOW—THE OWNER OR TRUSTEE OF EVERY BUILDING
IN WHICH LIQUOR IS SERVED
BE IT TAVERN, CLUB OR RESTAURANT, ALSO THE
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THE SUREST PROTECTION IS INSURANCE
FOR LOWEST RATES—MOST LIBERAL CONTRACT
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THE COST IS GREATLY REDUCED IF
YOU LIMIT JEWELRY, SILVERWARE
AND FURS TO \$100 PER ARTICLE



Blue Prints for College Prepared

(CONTINUED FROM PAGE 3)

ates, etc., to comprehend more clearly the risks to which the public is exposed, the best ways of minimizing the risks and sound methods of providing insurance and to develop necessary ways to make this knowledge available to the public. The committee recommended that there be a single unified educational program for all candidates seeking the C.P.U. designation irrespective of whether they might be fire, casualty or marine specialists or something else.

The committee recommended that the subject matter to be covered by the program should be divided into five parts of about equal content as follows:

Insurance principles and practices (Part I).

This and the following part presume a functional division of subject matter under which principles and practices common to all forms of insurance would first be studied as they pertain to each function, followed by specific study of the principles and practices of fire insurance and related lines, ocean marine and inland marine, workmen's compensation, automobile, liability, accident and health, fidelity and surety, and other casualty lines.

The division of subject matter suggested for Part I follows: The Economics of Insurance; insurance mechanism; contract provisions, risk assumed; other provisions; types of carriers (including self-insurers); agency and brokerage; financial statements; investments; organization of carriers; internal, inter-carrier; state regulation and supervision.

Insurance principles and practices (Part II).

The division of subject matter suggested for Part II follows: Theory of probability; rates, reserves, underwriting and selection of risks, loss prevention; fire prevention and protection (including arson); industrial accident prevention, automobile accident prevention, prevention of, and protection against, other perils; client building; principles of personal salesmanship; principles of applied psychology; insurance surveys.

General education (Part III). English; economics, government, social legislation, as workmen's compensation and employers' liability laws, building and other safety laws, automobile financial responsibility laws, the social security act.

Law (Part IV).

General commercial law: Law pertaining to contracts, agency, partnerships, corporations, personal property, real estate and mortgages, negotiable instruments, bankruptcy, bailments, common and private carriers, negligence.

Insurance law.

Subjects covered by this examination would be those normally covered by recognized textbooks in the field.

Accounting and finance (Part V).

Principles of accounting, principles of personal finance, business organization and agency management.

Subjects covered under each of the above divisions would be such as are normally included in recognized textbooks with the exception of agency management, for which it would be necessary to secure suitable text material.

Eligibility Rules

The committee recommends that in order to be eligible to take the examinations an applicant should be at least 21 years of age and of good moral character, have at least three years of satisfactory insurance experience, submit credentials respecting his previous education which should be the equivalent to graduation from a four year high school course. The examination requirements would include broad knowledge in five major fields. He should be required to pass five comprehensive examinations to be taken over a period of 2½ days with four hours allowed for each examination. However, candidates should be encouraged to take the examinations in installments rather than all at once.

The curriculum committee recommended that there be appointed a sub-committee of three to confer with the advisory committee.

The report of the committee on curriculum was approved by the advisory committee Dec. 11. The advisory com-

mittee also decided to provide for the creation of a standing cooperative committee of five members including three university men, a stock company man and a mutual company man, to cooperate with the trustees of the college following the time of dissolution of the advisory committee.

The composition of the various committees that have been functioning so far is as follows:

Chairman of the advisory committee is Dr. Huebner, the other members being John A. North, vice-president Phoenix of Hartford; William Leslie, general manager National Bureau of Casualty & Underwriters; George W. Scott, director educational division National Association of Insurance Agents; A. V. Gruhn, general manager American Mutual Alliance; John M. Breen, chairman Educational Committee, Kemper Insurance; Philip L. Baldwin, executive secretary National Association of Mutual Insurance Agents, Washington, D. C.

The finance committee consists of Otho E. Lane, chairman; Howard P. Dunham, vice-president American Surety; S. B. Perkins, secretary Travelers; Sidney O. Smith, Gainesville, Ga.; Robert P. Barbour, U. S. manager Northern Assurance; Burton S. Flagg, president Merrimack Mutual Fire; A. V. Gruhn; Chester Jennings, Mutual Insurance Agency, Baltimore; John L. Train, president Utica Mutual; J. J. Fitzgerald, president Grain Dealers National Mutual Fire, and Dr. Huebner, ex officio.

The legal committee consists of Clinton L. Allen, assistant secretary Aetna Fire; Oliver Beckwith, counsel Aetna Casualty; Charles F. Goodale, attorney American Mutual Liability; Chase M. Smith, counsel National Retailers Mutual, and Dr. Huebner, ex officio.

The committee on curriculum and educational procedure is: David McCahan, University of Pennsylvania, chairman; John H. Egloff, supervisor agency field service Travelers; G. F. Michelbacher, vice-president and secretary Great American Indemnity; Arthur C. Goerlich, educational director Insurance Society of New York; Wade Fetzter, Jr., vice-president W. A. Alexander & Co., Chicago; L. P. McCord, Jacksonville, Fla.; M. L. Landis, counsel Central Manufacturers Mutual; Franklin J. Marryott, assistant general counsel Liberty Mutual; John M. Breen, Kemper Insurance; Charles M. Boteler, secretary Mutual Insurance Agency, Washington, D. C.; J. W. Huntington, manager the Mill Mutuals, Columbus, O.; Edison L. Bowers, Ohio State University; Harry J. Loman, University of Pennsylvania; Edwin W. Patterson, Columbia University; Robert Riegel, University of Buffalo; Milton W. Mays, director Business Development Office, and Dr. Huebner, ex officio.

Mardis' Insurance Company Is Not One of the Giants

D. V. Mardis, who is credited with having been the head of a fake accident ring of about 80 persons with headquarters at Kirksville, Mo., is referred to in newspaper stories as being a former life insurance executive. The ring has now been well broken up and only a few cases remain to be disposed of in federal court at Hannibal, Mo.

Mardis operated what was known as Old American Life Trust Association of Kirksville. This outfit is not now and never has been licensed by or operated under the supervision of the Missouri insurance superintendent. According to records in the office of the Missouri attorney general the original organization was American Life Benefit Association of Kirksville. It was formed under section 5014, R.S. Mo. 1929, which related to burial societies.

Burial societies have never been subject by statute to the supervision of the

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STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Dec. 29, 1941.

	Par	Div.	Bid	Asked
Aetna Cas.	10	5.00*	119	124
Aetna Fire	10	1.80*	55	57
Aetna Life	10	1.40*	23	24½
Amer. Alliance ..	10	1.20*	20	21½
Amer. Equitable ..	5	1.00	16	17½
Amer. Home	10	...	5	6
Amer. (N. J.) ...	2.50	...	12½	13½
Amer. Surety ...	25	2.50	43	45
Automobile	10	1.40*	35	37
Balt. Amer.	2.50	40*	6	6¾
Boston	100	21.00*	600	625
Camden Fire ...	5	1.00	20½	21½
Carolina	10	1.40*	26½	28
Contl. Cas.	5	1.50*	29½	31
Contl. N. Y.	2.50	2.20*	40	42
Fidelity-Phen. ...	2.50	2.20*	40	42
Fire Assn.	10	2.50*	60	63
Firemen's (N.J.) ..	5	40*	8	9
Franklin Fire ...	5	1.40*	25½	27
Gen. Reinsur. ...	5	2.00	38	40
Georgia Home ...	10	1.20*	24	27
Glens Falls ...	5	1.60	38	40
Globe & Repub. ..	5	.50	8	9
Gt. Amer. Fire ...	5	1.20*	24	26
Gt. Amer. Ind. ...	1	.20	10	12
Hallifax	10	1.00**	9¾	10¾
Hanover Fire ...	10	1.20	22½	24
Hartford Fire ...	10	2.50*	86	89
Home Fire Sec. ...	10	...	25c	75c
Home (N. Y.) ...	5	1.60*	25½	27
Ins. Co. of N. A. ..	10	3.00*	76	78
Maryland Cas. ...	1	...	2¼	2¾
Mass. Bonding ...	12.50	3.50	56	58
Mer. (N.Y.) Com. ..	5	2.00*	42	45
Natl. Cas.	10	1.00	21	23
Natl. Fire	10	2.00	58	60
Natl. Liberty ...	2	.40	6	6¾
Natl. Un. Fire ...	20	5.00*	147	153
New Amst. Cas. ...	2	.87½	16½	17½
New Hampshire ...	10	1.80*	41	43
Northern (N.Y.) ...	12.50	5.00*	95	98
North River ...	2.50	1.00	22½	24
Phoenix, Conn. ...	10	3.00*	85	88
Preferred Accl. ...	5	1.00	12½	13½
Prov. Wash.	10	1.40*	31	33
St. Paul F. & M. ...	62.50	10.00*	265	272
Security, Conn. ...	10	1.40	38	40
Sprgfd. F. & M. ...	25	4.75*	115	118
Standard Accl. ...	10	2.50	48	50
Travelers	100	16.00	345	360
U. S. Fire	4	2.00	44	46
U. S. F. & G. ...	2	1.25	22½	23½

*Includes extras.
**Canadian funds.

Missouri department. An investigation of the activities of American Life Benefit Association was made through the attorney general's office and it was considered that the organization may have been exceeding its charter powers. Then it seems that an association known as Christian Aid Society was formed under a declaration of trust. It is very doubtful whether there is any law in Missouri providing for the formation of an association of this type. Apparently the name was later changed to Old American Life Trust Association which operated under some form of declaration of trust agreement.

Insurance Exchange in Chicago Signs Tenants

New tenants in the Insurance Exchange, Chicago, and many new leases signed, some for large additional space, were announced this week by Manager R. C. Swanson.

National Fire signed a new five-year lease for its western department space of more than 28,000 square feet. New Amsterdam Casualty has taken much larger space on the 17th floor of the south building, where its running mate, United States Casualty, also will be located. These leases are for five years.

Car & General is increasing the size of its quarters. London & Scottish re-

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newed. Atlantic Mutual's branch will move to A-616 in space about double that now occupied. American Automobile leased 1,000 additional feet for an agency room and telephone switchboard quarters. This company is adding about 15 trunklines, giving it 51, and probably will require three telephone operators.

Serlin & Rothman is a new tenant in A-1851. Howard C. Baur has taken a partner, the firm now being Baur & Christensen, which has moved into larger space in A-1522.

Wm. H. McGee & Co. will move to A-1016. Bartholmay-Clarkson has renewed its lease for 10 years; Western Casualty and Western Fire has renewed on the 19th floor of the annex. Most of the changes will occur May 1 when the old 30-year leases expire.

\$90,000 Loss at Columbus, Neb.

Fire destroyed the Montgomery Ward & Co. store at Columbus, Neb. The insurance loss will run approximately \$90,000 on building and contents. Contents of the 2½ story structure were fully insured, and the building was almost so. There will be very little, if any, salvage. The fire was discovered during the night after it had a good start.



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Current Problems and Ideas Treated by K. C. Surety Men

A questions and answer session followed by general discussion developed a quick survey of fidelity bonding with answers to some current problems at a recent session of the Casualty & Surety Underwriters Association of Kansas City.

Eugene Eisenman of the Thomas McGee & Sons agency and W. R. Evans, manager American Surety, prepared the general outline for the quiz program. Some of the more important points that were developed are given herewith:

Although blanket and position bonds were on the market for some years, the first real sales impetus did not come until early in 1941. The reduction in rates and premium minimums and some reclassification were mainly responsible.

Changes Justified

A preliminary step of importance, taken prior to the changes, was the application of experience rating to all blanket bond risks bearing a manual premium of \$500 or more. Many concerns received the benefit of this credit, and results appear to justify the move.

The favorable reaction of employers is due in considerable part to the activity of agents. Unquestionably agents have shown more interest and have increased their sales efforts. Doubt was expressed that the revisions have had much effect on the employer who has heretofore been uninsured. But there seemed no doubt that those employers who had a few scattered individual bonds in force were quick to make the change when the new advantages of the blanket bond were driven home. In several instances premiums for blanket bonds are actually less than the employer heretofore has paid for individual or name schedule bonds.

"What is the best answer to make to the employer who asks why it is that we can bond everybody for fewer premium dollars than it formerly cost to bond only certain employees?" was a question in which many were interested. The best answer is that less of the premium dollar is going for expenses. It takes time to prepare notices of cancellations, increases and reductions; to handle additions to schedules, computation of refunds and additional charges, and so on. By eliminating those activities, the companies and agents are saving money and the bond buyer gets the benefit of it.

One of the main difficulties in submitting proposals for either form of blanket coverage at the present time, is the confusion which exists in classification of employees. Many employees have multiple duties and titles of the positions many times do not give the true picture of the scope of the employee's activities. Sometimes the duties are far more responsible than the title or position indicates. On the other hand, in many cases the responsibilities are actually less than indicated.

A practical solution proposed for this difficulty was that wherever possible company representatives have a personal discussion with the personnel manager or with some of the officials after the list is once obtained. Such a personal conference will go far toward clearing up any doubts which may exist. Company representatives, too, have many times made tours of inspection and obtained first hand information as to the

character of the duties discharged by employees.

It was also suggested in this connection that premiums may be computed on a payroll basis in somewhat the same fashion as for workmen's compensation. It is true that class C employees in many cases receive higher rates of pay than do class B employees and so it follows that the rate of pay alone cannot be made the basis for the application of rate. One suggestion was that the hazard and not the rate of pay enters into compensation calculations. But some such method might be feasible.

Should Stress Applications

To the question, "Is sufficient stress laid on the importance of applications by employees?" the answer was, "No."

Aside from the obvious and standard reasons for requiring application forms, some new or insufficiently stressed reasons were suggested for passing on to the prospect. One was that it is reasonable to assume that even the small employer does not know everything about his employees; the large employer, of course, knows little or nothing about them. Even though a concern's personnel department may require some form of application and may check reference with former employers, his means of securing correct information is not as good as the means employed by surety companies. In the event of loss, the data which the surety company has is of great advantage in its salvage efforts. This same data would be of immense advantage to the employer, particularly if the employer's loss should be larger than the amount of the bond.

That the idea of loss prevention also

plays a large part in the surety's request for application forms, was emphasized. It means loss prevention to employers as well as the surety. Surety companies and their agents have greater reason than ever, it was said to insist on applications, particularly from employees of concerns whose premiums are large enough to receive experience rating. No large employer should be indifferent to loss when his own premiums are affected thereby.

Selling the Employer

Other suggestions were advanced for breaking down resistance of the employer to employee applications. Anyone who has a clear record usually takes some pride in telling the other person about it. There is something intriguing about filling out a form, particularly when it costs the employee nothing. Most everyone likes to recite some facts about his personal history. The time has gone by when it should be considered as a reflection against the employee and the employer should be reminded that honest employees have little or no objection. An employer should also be told that the cost of his investigation is reflected in the charge and he is not getting the full benefit of his premium unless he takes advantage of the company's investigation.

Discuss Three-Year Plan

The possibility of writing and rating blanket fidelity bonds on a three-year basis was discussed. Some surety men believe consideration should be given to this idea. There are instances, it was said, where three-year premiums had been collected, but no discount given because there was no such manual provision. At the end of the first year, it was suggested, an examination might be made and an additional charge made or credit given for the second year. There seem to be a number of things, however, which prevent an early adoption of the three year plan.

Latest U. & O. Developments Reviewed by Two Speakers

An up to date picture of use and occupancy was presented before the insured buyers' conferences of the Associated Industries of Missouri at Kansas City and St. Louis recently by Lyle G. Wimmer, assistant to the vice-president of Hartford Steam Boiler, and R. K. Hill, manager of special risk department of Springfield Fire & Marine, Chicago.

Since the U. S. began to participate in war activities there has been no change in the insurance company's attitude toward the acceptance of a boiler and machinery U. & O. risk, Mr. Wimmer said. Companies feel it is necessary to scrutinize risks more carefully and possibly to make more frequent inspections due to use of equipment on a 24 hour basis, and also because of the tendency toward reduced maintenance. However, where the condition of the equipment is such that it would normally be acceptable for insurance, a risk is not treated differently today than before the national emergency.

Explains New Clause

Present U. & O. rates contemplate resumption of business under somewhat normal conditions, he pointed out. These produce the experience on which

the existing rates are based. Hence the additional clause was inserted in the new form to place the insurance on about the same basis it would be if the present emergency did not exist. For plants with high priority ratings and preferred allocation of materials, the new form may have little effect. However, no payment will be made during that part of a period of business interruption which results from the inability to obtain labor and material under any rules and regulations made necessary by the war program. This does not take away from assured any protection he had under the old endorsement under normal conditions, Mr. Wimmer said.

Malicious Mischief

He pointed out that about a year ago a special endorsement was devised requiring an additional premium interpreting the word "accidental" so as to include acts of malicious mischief where such coverage was desired. Any occurrence resulting from war, invasion, civil war, insurrection, rebellion revolution or other war like operations or from civil strife are excluded.

Mr. Wimmer explained that the application of coverage in the boiler and machinery U. & O. is somewhat dif-

ferent than in the other lines in that coverage is applied on the basis of a specified accident to a specified object, without regard to property exposed, whereas coverage in the other lines is applied on the basis of a blanket hazard, such as fire, exposing specified property. The actual location of the boiler, pressure vessel or machine, an accident to which incurs U. & O. liability, has no particular relationship to the boundaries of the U. & O. premises which it exposes to loss of income. The object may be located hundreds of miles away and yet be producing raw materials necessary for making the finished product that produces assured's U. & O. value.

U. & O. Losses High

Some of the U. & O. problems brought into sharp focus during the last year were detailed by Mr. Hill. For years insurance men have been pushing the value of this form of coverage. Now U. & O. orders more than tax the facilities of insurance carriers.

Many underwriters are being shocked by U. & O. losses, tremendously larger than anything either assured or insurer had in mind when the policy was written. Difficulties of replacing equipment have been responsible for many of them.

"What the situation will be when industry is on a full war basis is more than we dare contemplate," Mr. Hill said.

Of course buyers will say that insurers are being paid a premium for the liability. But those premiums are based on normal conditions and upon a normal loss expectancy, Mr. Hill pointed out. The U. & O. rate is based upon the building rate, which itself is a reflection of experience that most fire losses on buildings under fire protection are partial losses. Then a formula is applied which in effect reduces the rate under item No. 1 of the manufacturing U. & O. form with 100 percent coinsurance to 58 percent of the gross building rate when the building is of brick joisted construction and 23 percent of the gross building rate when the building is of fire resistive construction.

Important Buyer Problem

The foremost current U. & O. problem for the buyer is the question of the amount required. Its importance can hardly be exaggerated, Mr. Hill said, since buyers are subject to coinsurance under fire U. & O. forms. Changes in U. & O. values, based as they are on anticipated net profit and anticipated charges and expenses, are likely to swing more widely in both directions than fluctuation in property values. Any analysis of the amount of U. & O. insurance required that is more than six months old is incorrect today. Either the buyer is carrying too much, or not enough, to comply with the coinsurance clause. In a few instances the amounts have been reduced. By far the greatest number, however, have shown increases. Mr. Hill presented half a dozen examples from the phone calls of one morning. Here was an increase of 300 percent, one risk without U. & O. wanted close to \$500,000, and a concern not engaged in defense work increased its line four times.

Need for More Cover

Buyers should give some thought to the possibility that shutdowns may last longer than one year and that the face amount of their present U. & O. policy may be exhausted before operations can be resumed. They can increase the amount of insurance carried.

A detail formerly given scant atten-

tion is the coverage provided under U. & O. forms for loss of earnings caused by destruction of raw stock of manufacturing plants for the period which the raw stock destroyed would have made operations possible. Today re-examination of this feature is probably advisable. The standard form can be revised to include U. & O. loss arising out of destruction of raw stock in yards. Those exposed to this hazard should discuss the cost with agent and broker, he said.

"Ordinary Payroll"

Mr. Hill cited several instances showing that "ordinary payroll" that is dispensable no longer exists. In one the insured had coverage on ordinary payroll so that he could continue payment of wages in order to retain his employees. It appeared that his competitor across the street was waiting with open arms to employ his help. In the other two instances, assured who had no insurance on ordinary payroll discharged their employees, saw them migrate almost en masse to their competitor. So they reemployed them at higher wages with the promise of vacation until the working premises were restored, and paid the cost out of their own funds. The moral is plain, he said: Re-examine the definition of ordinary payroll.

Contingent U. & O. has gained considerable attention recently. A fire a thousand miles away may hurt assured as badly as a fire in his own plant if he cannot replace that source of supply. One company recently issued a contingent U. & O. policy running into a liability of several million dollars for a manufacturer whose product was assembled from parts coming from more than 200 different plants. Destruction of any one of the plants and consequent suspension of delivery might cause assured serious difficulty.

Writes of Experiences of Sailor Jim

Fred W. Bowers of Babson Park, Fla., former vice-president of Connecticut Fire, is the author of a book called "Sailor Jim." It is published by the Empire Letter & Printing Company of Tampa and costs \$2. It has a special appeal to all lovers of sea stories because it deals almost entirely with sea experiences. The book is illustrated by Mr. Bowers' daughter, Jane Bowers South-ern.

An observant newspaper carrier came into contact with an obscure old man and he suddenly found himself in the spotlight with reporters, news camera men and authors. James Henry Bloodgood, better known as "Sailor Jim," sat on the front porch of his modest cottage in Tampa, smoking his pipe and working on a model of a clipper ship. A Tampa "Tribune" news carrier was so impressed with the model that he told a reporter about it. A feature writer and a news camera man shortly called and were impressed both with the man and his craftsmanship. The result was a story in the Tampa "Tribune" illustrated with a picture of the old salt and the model.

Inspiration for a Book

Mr. Bowers read the story, became interested and sought out "Sailor Jim." He found an old man who was far along in years but very young in spirit. Mr. Bowers obtained from him the story of his sea career that went back to days of the old clipper ships. This was about a year ago and recently a group of Mr. Bowers' friends gathered to celebrate the publication of an 89,000-word story entitled "Sailor Jim." This is a more or less authentic account of the remarkable experiences of this 89-year-old man who sits in the sun day by day and dreams of past experiences. He recently carved a replica of his ship, "Sovereign of the Seas," of which he was sole survivor when it went down in a storm years ago.

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MIDDLE WESTERN STATES

Symposium on Problems of Smaller Agencies Feature of Minnesota Mid-year

MINNEAPOLIS—A symposium on the problems of the smaller agencies will be an attraction at the mid-year sales conference of the Minnesota Association of Insurance Agents March 10-11 at the Nicollet hotel, Minneapolis.

R. A. Thompson, chairman of the program committee, this week announced several of the speakers. The conference will open with a luncheon March 10, followed by a program of talks that afternoon which will include Richard Bancroft of the St. Paul Fire & Marine on "Inland Marine Insurance"; E. J. Devitt, assistant attorney-general of Minnesota, on "The Legal Aspects of Local Agencies," and A. L. Kirkpatrick, insurance editor of the Chicago "Journal of Commerce."

That evening the agents and company men will attend the annual dinner of the Insurance club of Minneapolis at which Clarence T. Hubbard, assistant secretary of Automobile of Hartford, will speak.

The Wednesday program is not yet complete. In the morning Charles Mehan, Western Adjustment, will talk on "Insurable Values," and the afternoon will be given over to the small agency symposium led by Nick Dekker, state agent America Fore. There also will be a luncheon that day.

Chairman Thompson has called a meeting of his committee here Jan. 6 to check over the arrangements.

Explanation Is Made on South Dakota Issue

The Aetna Fire explains that there has been no refusal on part of the South Dakota department to license the Standard of New York, formerly owned by the Tokio. It seems that the Aetna Fire made some inquiry regarding entering the Standard when Commissioner Burt raised the question as to back taxes which he claimed it owed. He stated that it had not been licensed in the state but had written the Standard Oil Company filling stations and hence the state had received no taxes. Correspondence between the Aetna Fire and Commissioner Burt has been entirely friendly in the effort to reach some understanding concerning the issue.

Membership Drive in N. D.

W. A. Hart of Bismarck, secretary of the Insurance Federation of North Dakota, in a message to members, states that the paid up membership is now 160 and that a drive will be made to increase this to 200 or more by Feb. 1. Mr. Hart said that he has followed up each application for the licensing of new agents and has been successful in having several applications denied. He has also been successful in having field man or company withdraw several requests for license where it has been objectionable to an agent in the vicinity.

At a meeting of the executive committee a few weeks ago an agency qualification law was discussed and the legislative committee was authorized to draft a bill to be presented to the executive committee during the winter of 1942 for possible submission to the legislature.

Wis. Board Chairman Resigns

MILWAUKEE—Donald R. Van Wart, Beloit, who was elected chairman of the executive committee of the Wisconsin Association of Insurance Agents at the annual convention here last September, has resigned because of pres-

sure of private business. No successor has as yet been appointed. Other members of the committee are H. R. Hansen, Neenah; R. C. Pittlekow, Milwaukee; W. F. Schar, Madison, and Grover Miller, Racine, immediate past president.

New Iowa Adjusters Named

DES MOINES—T. J. Hession, Iowa manager of Western Adjustment, announces two new adjusters in Iowa. A. H. Boeding, formerly of Fort Madison, will have headquarters at Burlington and D. C. Kinsbury will work out of the Des Moines office.

Two adjusters recently have joined the armed forces. Carl Johnson of Ottumwa is a draftee and D. M. Thompson of Davenport is a first lieutenant in the coast artillery.

Iowa Agents Pledge Defense Aid

DES MOINES—Leon E. Morse of Council Bluffs, president Iowa Association of Insurance Agents, by direction of the executive committee, has pledged the facilities and man power of the 500 member agencies of the association to Governor Wilson for any specific national defense task.

Honor Riddle, Retiring Adjuster

DES MOINES—A banquet honoring Jess E. Riddle, general adjuster in Iowa of the Western Adjustment, who is retiring Jan. 1 after 21 years of service, was held here Monday.

J. H. Buntin, Fire Association, was general chairman and H. G. Zimmerman of L. E. Ellis & Co., Des Moines, served as toastmaster.

All local agents and other friends of Mr. Riddle were invited to the banquet.

New Manager at Terre Haute

Eugene L. Frost, adjuster working out of the Terre Haute, Ind., office of Underwriters Adjusting for the past two years, has been appointed manager. He succeeds A. M. Kidd, who has resigned. Mr. Frost has been with the company nine years, mostly in Indiana.

Credit Conference in St. Paul

ST. PAUL—Insurance as related to credit will be one of the topics discussed at the sixth district credit conference here Feb. 15-17. Nearly 700 credit men and merchants from Minnesota, Iowa, Nebraska, the Dakotas and Manitoba will attend.

Wilkoff Is Youngstown President

Ralph M. Wilkoff has been elected president of the Youngstown (O.) As-

Barnum Named to Head K. C. Agents for Third Term

KANSAS CITY, MO.—The Insurance Agents Association of Kansas City has elected Raynolds Barnum of Mann, Barnum, Kerdolff & Welsh as its president for the third consecutive term. Other elections included Harry M. Gambrel, vice-president; Cliff Johnston, secretary, and Fred V. Griffith, treasurer. This is the 19th year Mr. Griffith has served in that office. Miss Louise Price was reappointed executive secretary and manager of association's office. Speed Warner and George Oppenheimer were elected to the executive committee.



Raynolds Barnum

sociation of Insurance Agents. He succeeds M. M. Weibling, who was elected a trustee. E. R. Wood was elected vice-president.

Weldon Member of Wichita Firm

WICHITA—B. J. Weldon has become a member of the firm of Dulancy, Johnston & Priest. Other firm members are Frank T. Priest, C. J. Slawson, H. N. Fullington, James Knorr and Charles Harrison. Mr. Weldon graduated from the fire protection engineering course of Armour Institute and was with the Kansas Inspection Bureau six years before joining the agency four years ago as engineer and producer.

NEWS BRIEFS

Kenneth Ross, manager of the insurance department of the J. E. Crane agency, Arkansas City, Kan., and Mrs. Ross report the birth of their child, a boy.

H. K. Holley, local agent at La Crosse, Wis., was presented a service plaque by Travelers on his 30th anniversary with the company at a banquet attended by 20 associates and friends.

The Tinkelpaugh & Lind agency of Kansas City, Kan., has moved from 713 Minnesota avenue, where it had been located for almost 25 years, to 731 Minnesota avenue, where it will occupy larger and more modern quarters.

M. J. Christee of Middletown has purchased the agency of Robert Fossett, London, O. Mr. Fossett has entered the army.

Frank A. Knoebber of Galena, Ill., has sold his agency to E. B. Herron, who has been in business there for some time.

IN THE SOUTHERN STATES

Expect Changes on Insured Cotton

With respect to cotton, the Commodity Credit Corporation has discontinued its errors and omissions policy with Hartford Fire covering acquired or government owned cotton. Insurance is still being carried for the CCC in connection with 1941 loan cotton.

The CCC has made no further changes in connection with insurance on acquired cotton since it adopted its supplemental storage arrangements limiting the insurance which the warehouseman was required to furnish, and which was not to exceed 10 cents a pound.

It is understood that the CCC ex-

pects to make further changes some time in January.

The producer of rice is required to furnish insurance in favor of the CCC when he secures a loan from that loan agency. The rice loan was arranged prior to the corn loan, and therefore prior to the decision of the CCC to discontinue requiring insurance on commodity loans. There seems to have been some confusion on this matter, due probably to the fact that publicity was only given to the rice loan subsequent to that given the corn loan.

Grothous Is New President of San Antonio Exchange

SAN ANTONIO—The San Antonio Insurance Exchange held its annual elec-

tion with 115 agents and field men in attendance. W. L. Stiles presented the report of the nominating committee. These officers were elected: President, Walter S. Grothous; vice-president, W. G. Lutz; secretary, F. F. Ludolph; new directors, Arthur Mathis and C. O. Sawtelle. A resolution, prepared by a committee composed of O. Wolf and Mr. Sawtelle, as a committee, calling for the spread of fire prevention information through the schools and among the citizens of the territory that national resources may be conserved, was adopted.

President W. W. Jackson, University of San Antonio, spoke on "Insurance from the Layman's Viewpoint." He said it is his impression that insurance men are not sold thoroughly enough on the value of the service which they offer. He said the salesman to present effectively the service which he offers must believe strongly in the thing which he presents, indicating that no prospect cares to buy from a salesman anything which the salesman does not recognize as being the best of what may be obtained.

Turning to the world situation, he warned against hysteria, stressing the importance of intelligent effort to insure the preservation of those privileges which Americans have come to take for granted.

Vandalism, War Exclusion Changes Adopted by SEUA

ATLANTA—The Southeastern Underwriters Association has adopted the new war risk exclusion and vandalism insurance changes recently put in force by the Explosion Conference. They apply to the extended coverage endorsement in this territory immediately.

As a result of these changes, the limited vandalism endorsement, excluding malicious damage by agents of belligerent governments, has been abolished and the war exclusion clause has been shortened and clarified. The changes were announced by the Explosion Conference before the outbreak of the war but there is no indication that further revisions are in prospect.

Hunt of Hurt & Quin Is Called to Army Duty

Parks Hunt, vice-president of the Hurt & Quin general agency of Atlanta, who holds a reserve commission as captain of infantry in the army, was called for active duty and reported Dec. 29. Jeff A. Hadden has been named acting manager of the casualty department of Hurt & Quin in Mr. Hunt's absence. Mr. Hadden had been Mr. Hunt's assistant in this department. Hurt & Quin had its largest casualty production in history this year.

B. D. O. Meeting at Corpus Christi

James Carlton, president of the Corpus Christi Insurance Exchange, presided at a B. D. O. meeting at Corpus Christi, Tex. A skit was presented in which Jamin Gordon, local agent, took the part of a hardboiled hardware merchant who did not believe in insurance. H. G. Reinhackel, America Fore; A. L. Thompson, Springfield Fire & Marine, and Edward Stephens, Firemen's group, as local agents seated in a tavern, playing dominoes, when the merchant walked in, presented answers to objections which he offered.

D. C. Foreman, secretary Texas Association of Insurance Agents, conducted a true and false quiz.

New Atlanta General Agency

A new general agency, R. H. Smith & Co., has been started in Atlanta, headed by R. H. Smith, for 14 years one of the best known field men in Georgia for Continental of the America

Fore group. He was with the Southeastern Underwriters Association as special agent for 12 years before he went with Continental. He has been a mainstay in the Georgia Fieldmen's Conference and has served as its president.

R. H. Smith & Co. will have offices at 530 Trust Company of Georgia building and will represent Seaboard Fire and Baltimore American Underwriters of the Home group. For the present it will confine its operations to Georgia.

Opens New Dallas Office

SAN ANTONIO—The Texas General Agency Company of San Antonio has opened a Dallas office at 1103 Tower Petroleum building, under the direction of T. B. Gilbert, an experienced insurance man.

W. V. McNeil, who had been with the claims department of the Coleman & Co. agency, has been appointed manager of the claims department of the Texas General Agency Company here. Kenneth Spencer, who has been in charge of the Houston claims office of that company, has volunteered for service in the navy and will be succeeded there by Arthur L. Smith, who has worked in several departments of the agency.

Tenn. Mutual Agents to Meet

NASHVILLE, TENN.—The mid-year meeting of directors of the Tennessee Association of Mutual Insurance Agents will be held here Jan. 17. Chief subjects at this meeting, according to President J. Wayne Barker, will be a study of the effect of war on insurance and how local agents can render the greatest support of the national defense program. A successor to Vice-president J. C. Burdick of Union City, who died recently, must be selected and plans will be discussed for the annual meeting in June.

Hold Southwest Texas Meeting

J. H. David of Orange, Tex., regional vice-president of the Texas Association of Insurance Agents, presided at a meeting attended by 100 southeast Texas insurance men. Among the speakers were Eric C. Gambrell, Dallas, president Texas association; F. W. Westervelt, Jr., Business Development Office, New York; R. S. Mauk, A. P. Boyd and W. P. Nabors of Houston and D. G. Foreman, secretary Texas association.

McAllister in Field Work

Fred W. McAllister, formerly a member of the Quirk & McAllister general agency of San Antonio, has been appointed special agent of the Coffman, Daily & Aldridge general agency of Austin, Tex., for San Antonio and vicinity.

Agents Divide County Coverage

KNOXVILLE, TENN.—Joe Strong, commissioner of purchasing, has announced that fire insurance on Knox county property has been divided among 60 agents, following a taking of bids on the county's fire and liability coverage.

Threat of Higher Rates Relieved

JOHNSON CITY, TENN.—Property owners of Johnson City who have been paying higher fire insurance rates

because of an uncertain city water supply, with a threat of even higher rates, are being relieved of the threat and anticipate an early revision downward, following completion of a new city reservoir and improved water system.

Floyd West Company Field Shifts

Jack Culbertson, special agent of the Floyd West Company of Dallas in San Antonio, has been transferred to Houston. He will be succeeded in San Antonio by Philip McGuire, who has recently been in the business development work at the Dallas office.

PACIFIC COAST AND MOUNTAIN

Valentine Gives Talk on Personal Property Floater

PORTLAND, ORE.—E. A. Valentine, Oregon state agent of Fireman's Fund, addressed the Portland Blanket Club on "Personal Property Floaters," including a clause-by-clause examination of a sample contract and several examples of the rating procedure. He suggested that questions be asked as the discussion progressed, instead of being saved for a session after the speech, and the group demonstrated by the numerous questions their lively interest in the subject.

Mr. Valentine gave some introductory remarks on marine insurance generally, stating that "inland marine" is actually a misnomer, since the term first came into use when "ocean marine" expanded to risks using canals and other "inland" waterways, but still dealing primarily with water-borne risks. He explained the development of control measures leading up to the present Inland Marine Underwriters Association, and to "nation-wide definition" adopted by the insurance commissioners. Contrary to popular belief, he said, the personal property floater coverage, in its essentials, is not new, but has been written by London Lloyds for many years under the name of "householder's comprehensive policy."

Ben Allen, Pacific Automobile, gave a current event talk. President Fred Greer, Fire Companies Adjustment Bureau, announced that the Insurance Women's Association of Portland has invited the Portland Blanket Club to be special guests at a meeting Jan. 7 to hear Commissioner Thompson talk on "Types of Insurance Carriers Operating in the Northwest." Don Grew, Charles W. Sexton Co., reported on proposed activities relating to civilian defense being considered by the Special Agents Association of the Pacific Northwest, Oregon division, following which he and Erling Jacobson, Fireman's Fund, were appointed a contact committee to keep in touch with developments.

Unionization Move Hits Northwestern Mutual Fire

SEATTLE — Labor trouble has broken out in one of Seattle's largest insurance offices, the Northwestern Mutual Fire and Northwest Casualty's home office, and is being watched with special interest by the insurance fraternity. The strife is the first in Seattle since an unsuccessful attempt was made two years ago by the CIO to organize some of the insurance offices.

The current difficulty involves efforts

NEWS BRIEFS

J. C. Burdick, Jr., has assumed management of the agency of his father, the late J. C. Burdick, Union City, Tenn.

Officers and employees in service more than 12 months received one month's pay extra from E. B. & F. R. Bloom, Pine Bluff, Ark. Salaries will be increased 10 percent Jan. 1 to meet increased living costs.

C. F. C. Ladd, who has been underwriter for the Texas General Agency Company of San Antonio, has joined the W. S. Grothaus agency of San Antonio.

of the AFL to organize the Office Employees Union. Application for a charter has been made with the AFL and charges have been filed against the Northwestern Mutual and Northwest Casualty with the National Labor Relations Board, alleging that they are fighting unionization by "organizing a company union." It was charged that the management circulated "coercive" notes against AFL affiliation among employees.

Other unions in Seattle are joining in the controversy and in some cases urging union members to boycott the two companies.

Agents Line Up Auxiliary Firemen

SEATTLE—The organized agents of Seattle are engaged in an "all out" effort to assist the Seattle Municipal Defense Commission in its civilian defense program. O. L. Madison, chairman of the King County Insurance Association's national defense committee, said the commission has appealed to the agents' organization for assistance in securing men urgently needed for training as auxiliary firemen. The agents have launched a drive to sign up volunteers among their office personnel, company offices and assured.

Kiesewetter Succeeds Ensign

SEATTLE — Estor Kiesewetter has left the J. L. Cooper & Co. agency at Spokane to become manager of the insurance department of John Davis & Co. of Seattle. He succeeds R. H. Ensign, who is now with Johnson & Higgins here. Mr. Kiesewetter is a native of Holland where he entered insurance with the Netherlands home office in 1929. He came to this country in 1936 and a year later joined Groninger & Co., Seattle general agency, as field man, continuing in that capacity until he joined Cooper & Co. last February.

F. U. A. P. Library Shows Scope

The library of the Fire Underwriters Association of the Pacific has distributed unique illustrated poster which pictorially emphasizes the wide scope of the facilities and the services the library has to offer those in the business. Photographs show scenes in the library, while the uses for company executives, attorneys, underwriters, producers, secretaries claim men and office advertising men are graphically indicated with striking cartoons.

Brennan Wants More Apparatus

Chief Brennan of the San Francisco fire department has requested an appropriation of \$250,000 to be used in the purchase of 156 additional pieces of fire apparatus. His request has received

unanimous approval of the Civilian Defense Council.

Fill Los Angeles Classes

LOS ANGELES — Reservations for the two classes to be conducted by the Insurance Exchange of Los Angeles,

BUSINESS NEED NOT "FLY BLIND"

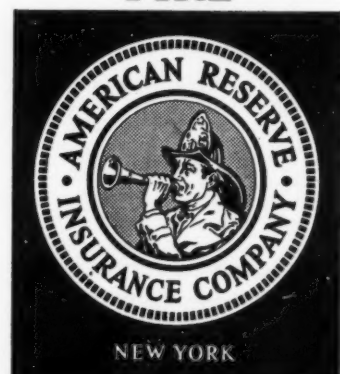
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under the guidance of the Insurance Institute of California, now have reached the limit permitted and they will open as planned, the first on Jan. 8, and the second Jan. 12.

MacDonald to Head C. of C.

SEATTLE — D. K. MacDonald, president of Carter, MacDonald & Co. agency, has been nominated to head the Seattle chamber of commerce in 1942. He has long been actively identified with Seattle civic and business affairs. Ever since the Seattle chamber's national defense committee was formed in September, 1940, Mr. MacDonald has served as its chairman.

NEWS BRIEFS

A concert of Christmas carols was given by the glee club of the **Fireman's Fund** group in the lobby of the Insurance Exchange building, San Francisco. The glee club has long been sponsored by J. B. Levison, chairman of the companies.

Active part in the national defense program is being taken by the **Insurance Women of Denver**. Mrs. Lena Burgess spoke on Red Cross work.

EAST

Pittsburgh Schools Drop Self-Cover

PITTSBURGH — The Pittsburgh board of education, for years a self-insurer for fire losses under a special fund of more than \$1,000,000, has awarded an insurance contract for 1942 to Abe Blumenthal of the Benswanger, Hast & Herzog agency, representing the Pittsburgh Association of Insurance Agents. The award was on a low bid of \$16,000 a year for about \$50,000,000 coverage.

The original fire insurance fund of the board has been consumed in the past year, part of it being used for the 1941 budget and the rest for 1942 expenses.

Newark Work Now Centralized

The fire insurance companies of the Royal-Liverpool groups, also Royal indemnity and Eagle Indemnity, have terminated their occupancy at 41 Clinton street, Newark, and are now in new and larger quarters on the grade floor at 20 Washington Place. At the same time Globe Indemnity, which has been occupying quarters on the second floor, will remove to the grade floor. This rearrangement will bring the Newark operations of all the fire and casualty companies of the groups on one floor at one convenient location.

Read Heads Buffalo Agency

Dexter P. Rumsey & Co. of Buffalo, has changed its name to Rumsey, Read

& Kimberly. F. G. Read, with the agency 10 years, has become president. Mr. Rumsey is withdrawing from active participation in the business.

Buffalo Agency 75 Years Old

BUFFALO — The Wilhelm-Schabacker Agency has just celebrated its 75th anniversary. It was founded in 1866 by Capt. Michael Wiedrich upon his discharge from the Union army. In 1882 he formed a partnership with E. H. Wilhelm and after his death in 1899 the firm became known as the E. H. Wilhelm Company. It continued under that name until it was acquired by C. E. Schabacker in 1937 and became Wilhelm-Schabacker.

New England Agents' Meeting

The date for the annual meeting of the New England Associations of Insurance Agents at Poland Spring House, Poland Spring, Me., has been set for June 24-26.

CANADIAN

Fire Business Up, Auto Uncertain in Canada in 1942

TORONTO — An upward trend for fire insurance and a somewhat obscure picture for automobile insurance in 1942, the latter due to war-time restrictions, are predicted in Canada.

Increased business activity occasioned by the war boosted the property risk value in 1941 and resulted in an increase in the gross value of property insured. This situation is expected to continue in 1942. Great constructive activity has provided a great deal of new business for the fire companies but indications are that the increase is not as heavy as at first anticipated as a large percentage of new buildings and construction for the government is being insured only during the time of construction. Hereafter, it is insured through the government's own insurance fund. Increased replacement costs of materials, said to be up 25 percent in the year, have also served as a medium for greater fire insurance coverage, and it is more or less taken for granted this will carry into 1942, even to a greater extent than in 1941. No war and bombardment insurance will be sold in Canada as the government will assume these risks.

Automobile insurance hinges directly on gasoline rationing and automobile restrictions, such as production and curtailment of use. Unofficially, gasoline rationing is expected to be fixed by government order at 20 gallons per month, possibly a peak of 25 gallons. This will cut pleasure driving in half and in many

cases result in garaging or disposal of automobiles for the duration. Automobile business, insofar as premium income is concerned, gained in 1941. A more favorable loss ratio than in 1940 is expected.

H. deGrandpre has completed 20 years as manager for Canada of New Hampshire Fire. He also has been manager in Canada for Granite State since 1929 when it entered Canada.

Lessons of War Will Aid Peace

(CONTINUED FROM PAGE 5)

against confiscation, requisition or pre-emption by government decree. He cannot insure against hazards which involve many risks at the same time and in the same event. From the underwriter's standpoint this is loss avoidance because loss prevention is not possible.

Mr. Winter observed that as the perils of war develop, counter measures to prevent or avoid loss are devised. Thus the magnetic mine is quickly followed by the DeGaussing of ships to neutralize this type of mine. On the other hand, the radio is ordinarily sealed, light houses and beacon lights are blacked out and the clock of navigation is turned back 100 years. Voyages are unduly prolonged and customary routes of necessity are abandoned and longer and less satisfactory routes are substituted to the detriment of cargoes perishable in their nature.

Overloading Regulations

Mr. Winter went on to describe some of the loss preventive measures that have been developed during the present century. He mentioned the adoption of regulations to prevent overloading of vessels. In the past the outstanding cause of loss at sea was the overloading of vessels. The next great cause of marine loss was the building of ships poorly constructed to withstand the perils to which they were exposed. This hazard has been greatly overcome by the operations of government sponsored organizations known as classification societies that have established rules for the building of ships and testing of material and supervision and upkeep of vessels.

A very great cause of marine loss is fire and it was not until very recent years that substantial progress began to be made in fire prevention at sea. The loss of the steamer Morro Castle in 1934 drew particular attention to the hazard of fire at sea, following closely as it did destruction by fire of a number of other large passenger ships such as "L'Atlantique" and the "Georges Philippar." Legislation was passed requiring new standards for the building of ships and to satisfy these standards improved methods of construction and fire proofing have been devised. Today the new

American fleet being built for the Maritime Commission represents the safest ships afloat.

Mr. Winter observed that there have been many devices perfected for the safer navigation of vessels, the application of radio for direction finding, the submarine signal for picking up the location of sound buoys, the fathometer for determining the depth of water under a ship and the gyroscope compass to keep the ship on its true course without human aid. Progress has even been

Dog—The Friend of Man



FOUR OF A KIND

These active little fellows are actually part of a litter of seven puppies in all, one for each day of the week, and consequently named "Sunday, Monday, Tuesday, Wednesday, Thursday, Friday and Saturday." They were such active pups that the cameraman had to pin them on the clothesline in order to keep them all in the picture at once.

This pose, showing each young pup in his own sock, reminds us that the companionship of a dog is always a lasting and appreciated present to give your own youngster at Christmas time. It's the sort of remembrance that grows in strength and beauty with the passing of the years, a gift of enduring and unselfish friendship.

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made in piercing the veil of fog through the use of infra-red rays.

Doubtless, he said, many additional aids are being developed in the present search for protection against the enemy at sea.

A number of devices have also been perfected primarily for the safety of cargoes. Fire is the chief peril to which cargo is subject. He remarked that there has been a great deal of discussion as to the frequency of spontaneous combustion in cargoes. Mr. Winter expressed the opinion that most cargo fires originate outside and not from within the cargo. No single cause is more responsible than the lighted cigarette. The secret of controlling fires is quick detection and modern ships are equipped with a fire detection system of amazing value.

Sprinkler systems are of little value on cargo ships but on passenger ships the use of these systems has increased. Another fire prevention measure is the use of high ventilated cowls, too high to catch a lighted cigarette tossed away by a passenger or a crew.

Board of Underwriters

The largest protective measure for the safe preservation of ships and cargoes is the work of the inspection bureau of the Board of Underwriters. For a decade this board has compiled and promulgated rules for the safe loading and storage of cargoes. For instance, grain if merely poured into the hold of a vessel would shift with the rolling and under extreme conditions would list and the ship sink. Accordingly the rules provide that the hold must be divided fore and aft with shifting boards, that double deck vessels must have wing feeders to trim the cargo, that the bulk grain must be held down by boards on which are stowed tiers of bagged grain.

Rules are made for the distribution of mixed cargoes over the hold to provide for safe carrying. The attendance of the underwriters surveyor while the vessel is loading has a moral effect of great value. Similar work is carried on by the Canadian Board of Underwriters and the British Board of Trade under government auspices. The Steamboat Inspection Service of the United States has now promulgated rules for the safe loading of cargoes and these are similar to the Board of Underwriters' rules. They have been accepted by the underwriters but the board reserves the freedom of action to supplement the rules where conditions arise not covered by the government rules.

Proper packaging of cargoes is vital. Goods must be protected against moisture, breakage, leakage and theft. In the last analysis the safety of ships and cargoes depends in a large measure on the knowledge and skill of the master and crew.

Tax Interpretation Vital to Companies

(CONTINUED FROM PAGE 5)

code). It follows also that in the opinion of this office an insurance company, generally speaking, is not required, for the purposes outlined in your letter, to take affirmative steps to ascertain whether a federal tax lien exists against any of its clients."

Position Companies Took

The companies all along have held that the relationship between an insurance company and its policyholders and beneficiaries is not that of creditor and debtor and therefore the companies would not be liable for any obligations of the policyholders or beneficiaries.

Lord, Bissell & Kadyk in correspondence with the internal revenue bureau explained they had advised all their clients the only liability possible under the circumstances is that imposed by section 3710 of the code which is specifically confined to persons "in possession of property, or rights to property, subject

to restraint, upon which a levy has been made." This liability, the firm said, is confined to cases in which levy has been made and notice thereof given to the person in possession of the property of the taxpayer.

The legal firm stated any such liability, if it existed, would seriously impede the payment of claims and necessitate in a city the size of Chicago the employment of additional personnel constantly to examine records of the U. S. clerk and county recorder.

It is said the proposed new internal revenue administrative code now being considered by the department incorporates a provision that no liability shall attach to a debtor who discharges a debt or other obligation without actual notice that it is subject to a lien imposed by any internal revenue law. The explanation given is that the exigencies of modern business practices demand that a debtor should not be required to examine the public records before paying his debt, in order to protect himself against liability.

The correspondence in this case, which arose when an eastern casualty company asked Lord, Bissell & Kadyk to examine the records carefully for federal liens in all claims involving \$500 or more, has been watched intently by high company officials throughout the country. Negotiations were carried out for Lord, Bissell & Kadyk by L. Duncan Lloyd.

Surge of N. Y. New Auto Business Ebbs

(CONTINUED FROM PAGE 13)

that with the new law as a lever it didn't take a great deal of persuasion.

On the other hand many agents have permitted what they consider to be more pressing matters in their agencies to deter them from going out and do auto liability accounts. Many have failed to realize that, with the new law, once this business is on the books it is going to continue for a long time and that in considering whether it is worthwhile to solicit it future renewal premiums must be borne in mind and not just the immediate commission.

One reason why the increase in business due to the new financial responsibility law has not been more rapid is that brokers have only begun to realize its possibilities. It was not until about Dec. 1 that they took the matter seriously. Sales promotion efforts by the companies did not do much to stir them up until the brokers' clients began to ask about the new law.

No P. L.—P. D. Rate Increase in N. Y.

(CONTINUED FROM PAGE 13)

dence of his financial responsibility for the future by obtaining insurance must furnish what is known as the absolute policy. Such a policy affords absolute coverage for liability to injured persons whenever loss or damage covered by the policy occurs. Being absolute in form, the insurer is subjected to a greater risk than under the regular standard policy. When a certificate is issued as evidence this absolute policy a surcharge of 5 percent will be made. In the past it has been 10 percent. In other words, there is a reduction of 5 percent.

The 5 percent surcharge does not apply to persons who have insurance at the time of the accident except in the case of those (1) whose licenses are suspended because of minor offenses under the vehicle and traffic law, (2) whose licenses are suspended upon "any reasonable ground appearing upon the record" or (3) who fail to pay judgments resulting from automobile accidents.

Where the motorist has been convicted of one of the more serious violations of the vehicle and traffic law the surcharge instead of being 5 percent will be either 25 percent or 50 percent, depending

upon the seriousness of the violation. Those percentages have been in effect for some time and have as their basis the fact that the company is issuing a policy to one who seems to be a very poor risk. The new rules provide, however, that they, too, will be reduced to 5 percent at the end of three years from the date of the new conviction.

Fire Defense Stressed by Olmsted of Automobile

HARTFORD—"The present world-wide conflict may be aptly termed a 'firemen's war,'" Theodore I. Olmsted, secretary of Automobile, stated in a talk before the Aetna Life Men's Club here.

"Fire defense is vital to national defense and one act of carelessness may start a fire that can do as much damage as one started by a saboteur's torch. Add a high wind and we have a conflagration that will destroy just as much property as a whole fleet of bombing planes."

Mr. Olmsted lauded the aid rendered by the National Board in planning and supervising the installation of fire protection equipment in army camps and in navy properties.

"Fire insurance interests are sincerely

awake to the needs of emergency. They have responded without hesitation to the call. We have ample reason to be proud of being able to take such a major part in the task at hand," Mr. Olmsted said. "War, no matter what its aims, brings with it only super waste. Our conservation efforts under pressure will pay big dividends for many years after this tired world has again returned to peace."

Again Defer Fischer Ouster Case

DES MOINES — Hearing on a petition for a writ of certiorari to determine jurisdiction in the ouster action against Commissioner Fischer of Iowa has been postponed again from Jan. 8 to Jan. 15.

The postponement was granted at the request of the attorney for Benjamin Wolf, who filed the ouster action with the state executive council as a policyholder of American Mutual Life of Des Moines, claiming Fischer had shown partiality in supervising that company.

Inability of company employees to spare time from their duties because of war conditions may upset plans of various southern states for the holding of insurance educational short courses during 1942.

1942

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Did you ever see a nightmare on wheels?

Can you think of any worse nightmare than being suddenly put in charge of this control board, responsible for routing scores of trains through the maze of a huge railroad yard... with loss of lives the probable price of a single slip?... Yet the men who do it for a living lose no sleep over it... It's just routine to them.



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the master mind of the age, but it's part of his job to know how many a successful agency got that way. Moreover, he has a complete modern kit of sales tools to place at your disposal. Why not sit down with him and talk about the latest wrinkles in management and sales promotion? He may not know *all* the answers, but if he doesn't, he'll make it his business to find them for you.

* * *

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